

INTRODUCED _____
PUBLIC HEARING _____
COUNCIL ACTION _____
EXECUTIVE ACTION _____
EFFECTIVE DATE _____

**County Council Of
Howard County, Maryland**

2004 Legislative Session

Legislative Day No. 14

Bill No. 73 -2004

Introduced by: The Chairperson at the request of the County Executive

AN ORDINANCE providing for the issuance of ~~\$65,990,000~~ \$60,000,000 "Howard County, Maryland Consolidated Public Improvement Bonds, 2005 Series A" and ~~\$5,000,000~~ \$4,000,000 "Howard County, Maryland Metropolitan District Bonds, 2005 Series A", pursuant to various bond enabling laws; prescribing the forms of such bonds and the annual principal installments and various details incident to the sale thereof; providing that such bonds shall be general obligations of the County; providing for the disbursement of the proceeds of such bonds and for the levying of taxes to pay the debt service on such bonds; providing for and determining various matters in connection therewith; and providing that this Ordinance shall be supplemental to Council Bills Nos. 22-2002 and 23-2002, as heretofore supplemented.

Introduced and read first time _____, 2004. Ordered posted and hearing scheduled.

By order _____
Sheila M. Tolliver, Administrator

Having been posted and notice of time & place of hearing & title of Bill having been published according to Charter, the Bill was read for a second time at a public hearing on _____, 2004 and concluded on _____, 2004.

By order _____
Sheila M. Tolliver,
Administrator

This Bill was read the third time on _____, 2004 and Passed, Passed with amendments _____, Failed _____.

By order _____
Sheila M. Tolliver,
Administrator

Approved by the County Executive _____, 2004

James N. Robey, County Executive

NOTE: [[text in brackets]] indicates deletions from existing law; TEXT IN ALL CAPITALS indicates additions to existing law; ~~Strike-out~~ indicates material deleted by amendment; Underlining indicates material added by amendment.

Recitals

The County Council of Howard County (the "County Council"), by Council Bills Nos. 15, 40, 42, 43 and 45, enacted during the 1997 Legislative Session, Council Bills Nos. 16, 18, 19 and 27, enacted during the 1998 Legislative Session, Council Bills Nos. 19, 20, 22, 32, 33, 53 and 56, enacted during the 1999 Legislative Session, Council Bills Nos. 15, 17, 27 and 29, enacted during the 2000 Legislative Session, Council Bills Nos. 18, 21, 26, 27 and 58, enacted during the 2001 Legislative Session, Council Bills Nos. 24, 25 and 35, enacted during the 2002 Legislative Session, Council Bills Nos. 28, 29, 39, 40, 55 and 56 enacted during the 2003 Legislative Session, and Council Bills Nos. 18, 19 and 20, enacted during the 2004 Legislative Session (collectively, the "Current Consolidated Public Improvement Bond Enabling Laws") has authorized and empowered Howard County, Maryland (the "County"), (a) to borrow on its full faith and credit and issue and sell its bonds therefor, at one time or from time to time, certain sums for the purposes and in the amounts set forth in the Current Consolidated Public Improvement Bond Enabling Laws (and the County Council has determined that it is in the best interest of the County to borrow part of such sums); (b) to enact an ordinance or ordinances in accordance with Article VI of the Charter of Howard County and other applicable provisions of law providing for the issuance and sale and for the designation, form, tenor, denomination or denominations, maturities, and the interest rate or rates per annum (or the method of determining such rate or rates) payable on any bonds issued under any such ordinance; and (c) to levy annually ad valorem taxes upon the assessable property within Howard County, Maryland, sufficient, together with funds available from other sources, to provide for the payment of the principal of and interest on any bonds so issued until all such bonds shall mature and be redeemed.

The Current Consolidated Public Improvement Bond Enabling Laws and Section 2C of Article 31 of the Annotated Code of Maryland , as amended, provide that the issues of bonds so authorized, or portions thereof, may be consolidated with one another.

Section 12 of Article 31 of the Annotated Code of Maryland, as amended (the "Bond Anticipation Note Act") authorizes the County to issue and sell its bond anticipation notes in an aggregate principal

1 amount not greater than the authorized amount of bonds which the County is authorized to issue, the
2 principal of and interest on such notes to be made payable out of the first proceeds of sale of such bonds,
3 or from the tax or other revenues which the County shall have previously determined to apply to the
4 payment of such bonds and the interest thereon.

5 Pursuant to and in accordance with the Bond Anticipation Note Act and Council Bill No. 23-
6 2002, enacted and effective on June 5, 2002 (the "Initial Note Ordinance"), as supplemented by (a)
7 Council Bill No. 45-2002, enacted and effective on August 5, 2002 ("Council Bill No. 45-2002"), (b)
8 Council Bill No. 47-2002, enacted and effective on October 9, 2002 ("Council Bill No. 47-2002"), (c)
9 Council Bill No. 23-2003, enacted and effective on June 6, 2003 ("Council Bill No. 23-2003"), (d)
10 Council Bill No. 46-2003, enacted and effective on August 1, 2003 ("Council Bill No. 46-2003"), (e)
11 Council Bill No. 1-2004, enacted and effective on January 21, 2004, as supplemented by Council Bill No.
12 2-2004, enacted and effective on January 23, 2004 (collectively, the "2004 Bond Sale Ordinance"), (f)
13 Council Bill No. 46-2004, enacted and effective on July 27, 2004 ("Council Bill No. 46-2004), and (g)
14 Council Bill No. 47-2004, enacted and effective on September 8, 2004 ("Council Bill No. 47-2004" and
15 collectively with the 2004 Bond Sale Ordinance and Council Bills Nos. 45-2002, 47-2002, 23-2003, 46-
16 2003, 46-2004, 47-2004, the Initial Note Ordinance and this Ordinance, the "Note Ordinance"), the
17 County has issued and reissued its Howard County, Maryland Consolidated Public Improvement
18 Commercial Paper Bond Anticipation Notes, Series C (the "Notes") on and after July 1, 2002, in order to
19 finance the costs of certain capital projects described in the Note Ordinance. As of the date of introduction
20 of this Ordinance, the maximum aggregate principal amount of the Notes outstanding at any one time is
21 \$90,000,000.

22 The Notes have and will have maturities of not less than 1 day and not more than 270 days, as
23 determined by the County in accordance with the Note Ordinance. Each of the Notes has been and will
24 be reissued at its respective maturity, unless the County has theretofore determined to repay all or some
25 portion of such Notes from proceeds of bonds then held by the County or from other funds, and each such

1 reissuance is a renewal of such Note within the meaning of the Bond Anticipation Note Act. Notes may
2 also be reissued to repay Advances under the Credit Agreement (both as hereinafter defined).
3 Accordingly, the term "Notes" when used in this Ordinance shall include both the Notes originally issued,
4 all Notes issued to repay maturing Notes and any Notes issued to repay Advances under the Credit
5 Agreement.

6 In order to enhance the marketability of the Notes, the County and Bank of America, N.A. (the
7 "Bank"), entered into a Credit Agreement dated as of July 1, 2002, as supplemented (the "Credit
8 Agreement"), pursuant to which the Bank agreed to make advances (each, an "Advance") to an account of
9 the County with Deutsche Bank Trust Company Americas (the "Issuing and Paying Agent") in the current
10 aggregate amount of up to \$90,000,000 outstanding at any time, to provide funds for the payment of the
11 principal of the Notes at their respective maturities.

12 The Notes were issued in anticipation of the issuance of the County's consolidated public
13 improvement bonds, and the County has provided for the issuance of such bonds in one or more series by
14 enacting County Bill No. 22-2002, enacted and effective on June 5, 2002, as supplemented by (a) Council
15 Bill No. 45-2002, (b) Council Bill No. 47-2002, (c) Council Bill No. 22-2003, enacted and effective on
16 June 6, 2003, (d) Council Bill No. 46-2003, (e) the 2004 Bond Ordinance, (f) Council Bill No. 45-2004,
17 enacted and effective on July 27, 2004, and (g) Council Bill No. 47-2004 (together with this Ordinance,
18 collectively, the "Master Bond Ordinance"). The Master Bond Ordinance provides that prior to the
19 issuance of any series of such bonds, the County Council shall enact an ordinance supplemental thereto
20 for such series. The supplemental ordinance for each series of such bonds shall specify and provide for
21 (a) the aggregate principal amount of such series, (b) the form and denominations of the bonds of such
22 series and the method of numbering such bonds and the complete designation thereof, (c) the date of issue
23 thereof, (d) the dates of the first and last maturities thereof (provided that the last maturity of the bonds of
24 each issue shall be not later than 25 years after the initial date of issue of the Notes refunded thereby,
25 unless the County Council determines in an ordinance supplemental thereto that the probable remaining

1 average useful life of the projects financed with the proceeds of the Notes to be refunded is not less than
2 the term of the bonds of such series), (e) the maturity schedule therefor, (f) the interest payment dates for
3 such series of bonds, (g) the terms and conditions upon which some or all of the bonds of such series shall
4 be subject to redemption prior to maturity, (h) the terms and conditions upon which the bonds of such
5 series shall be sold, (i) the forms of the notice of sale and the proposals for such issue (if applicable), (j)
6 the requirements for the due execution of the bonds, (k) the appointment of a bond registrar and one or
7 more paying agents for such issue and (l) the terms, conditions and procedures for the registration,
8 transfer and exchange of the bonds of such series.

9 The Note Ordinance also provides that it may be supplemented from time to time (a) to add
10 additional Council Bills enacted and effective after the date of enactment of the Note Ordinance to the
11 definition of "Bond Enabling Laws" thereunder, (b) to supplement Appendix I of the Note Ordinance to
12 modify the definition of "Projects" to include Howard County Capital Projects to be described in such
13 additional Council Bills, and (c) to modify the description of the costs of Projects to reflect the effect of
14 such additional Council Bills; provided that any such supplemental note ordinance complies with the
15 requirements of the Note Ordinance with respect to such supplements. The Master Bond Ordinance also
16 provides that it may be supplemented to modify the definitions of "Bond Enabling Laws" and "Projects"
17 thereunder so that (a) such terms will remain consistent with the definitions thereof in the Note Ordinance
18 and (b) the proceeds of the bonds authorized by the Master Bond Ordinance may be used to refinance all
19 of the Projects financed with the proceeds of the Notes. Appendix I of the Note Ordinance, as such
20 Appendix I may be supplemented from time to time, is incorporated by reference into the Master Bond
21 Ordinance and made a part thereof. The County has now determined to supplement both the Note
22 Ordinance and the Master Bond Ordinance in order to (a) add Council Bills Nos. 31-2004 and 32-2004,
23 both enacted on July 8, 2004 and effective on September 8, 2004 (collectively, the "Additional
24 Consolidated Public Improvement Bond Enabling Laws") to the respective definitions of "Bond Enabling
25 Laws" in such ordinances, (b) modify the definitions of "Projects" and the descriptions therein of the costs

1 of the Howard County Capital Projects which can be financed with the proceeds of the Notes (and
2 refinanced with the proceeds of the bonds authorized by the Master Bond Ordinance) in order to add a
3 bond authorization or revised bond authorization for the capital projects provided for in such Council
4 Bills, and (c) modify Appendix I to the Note Ordinance by including as a part thereof Appendix II
5 attached to this Ordinance.

6 Prior to the enactment of this Ordinance, the County has directed and instructed Lehman Brothers
7 Inc. (the "Dealer") and the Issuing and Paying Agent to sell at least ~~\$65,000,000~~\$60,000,000 in aggregate
8 principal amount of the Notes with scheduled maturities not later than April ~~15, 22,~~ 2005 on or before
9 January ~~15, 24,~~ 2005, which is prior to the expected date of delivery of the Consolidated Public
10 Improvement Bonds (hereinafter defined). Such Notes are referred to herein as the "~~Refunded~~Designated
11 Notes."

12 The proceeds of the ~~Refunded~~Designated Notes have been and will be applied to the purposes
13 specified in Appendix I hereto and in the Note Ordinance, as supplemented and amended hereby, all as
14 more particularly described herein.

15 The County Council has determined that it is in the best interest of the County to issue and sell a
16 portion of the issues of bonds authorized by the Current Consolidated Public Improvement Bond
17 Enabling Laws and the Additional Consolidated Public Improvement Bond Enabling Laws (collectively,
18 the "Consolidated Public Improvement Bond Enabling Laws") as its Consolidated Public Improvement
19 Bonds, 2005 Series A, in the aggregate principal amount of ~~\$65,990,000~~\$60,000,000 (the "Consolidated
20 Public Improvement Bonds"), in order to provide funds for (i) the payment of the principal of up to
21 \$60,000,000 of the outstanding ~~Refunded~~Designated Notes at their respective maturities, (ii) the payment
22 of other costs of the Residual Capital Projects (hereinafter defined), and (iii) the payment of costs, fees
23 and expenses incurred in the issuance and sale of the Consolidated Public Improvement Bonds, ~~to the~~
24 ~~extent such costs, fees and expenses are not paid from other sources.~~ Accordingly, this Ordinance shall
25 be a supplemental ordinance as described in the Master Bond Ordinance.

1 The probable remaining average useful life of (a) the Public Improvement Capital Projects
2 financed with the proceeds of the ~~Refunded~~Designated Notes and refinanced with the proceeds of the
3 Consolidated Public Improvement Bonds, and (b) the Residual Capital Projects is more than 25 years, and
4 all of the Consolidated Public Improvement Bonds shall be payable within such probable average useful
5 life.

6 In addition, the portion of the Consolidated Public Improvement Bonds to be issued to repay the
7 ~~Refunded~~Designated Notes which were used to pay the costs of the Public Improvement Capital Projects
8 listed in Appendix VI (in the amounts set forth therein) are intended to be paid from building excise taxes
9 and shall be payable by February 15, 2020, as more particularly described in Section 3(e) of this
10 Ordinance.

11 The aggregate principal amount of the Consolidated Public Improvement Bonds is within the
12 legal limitation on the indebtedness of the County as set forth in Article VI of the Charter of Howard
13 County.

14 The County Council, by Council Bill No. 19, enacted during the 2001 Legislative Session,
15 Council Bill No. 26, enacted during the 2002 Legislative Session, Council Bill No. 30, enacted during the
16 2003 Legislative Session, and Council Bill No. 21, enacted during the 2004 Legislative Session
17 (collectively, the "Metropolitan District Bond Enabling Laws") has also authorized and empowered the
18 County, (a) to borrow on its full faith and credit and issue and sell its bonds therefor, at one time or from
19 time to time, certain sums for the purposes and in the amounts set forth in the Metropolitan District Bond
20 Enabling Laws (and the County Council has determined that it is in the best interest of the County to
21 borrow part of such sums); and (b) to enact an ordinance or ordinances in accordance with Article VI of
22 the Charter of Howard County and other applicable provisions of law providing for the issuance and sale
23 and for the designation, form, tenor, denomination or denominations, maturities, and the interest rate or
24 rates per annum (or the method of determining such rate or rates) payable on any bonds issued under any
25 such ordinance; and (c) to levy annually ad valorem taxes upon the assessable property within Howard

County, Maryland, sufficient, together with benefit assessments, ad valorem taxes levied upon assessable property in the Metropolitan District and other available funds, to provide for the payment of the principal of and interest on any bonds so issued until all such bonds shall mature and be redeemed.

By the Metropolitan District Bond Enabling Laws, the issues of bonds so authorized, or portions thereof, may be consolidated with one another, and the County Council has determined that it is in the best interest of the County to consolidate portions of the issues of bonds authorized by the Metropolitan District Bond Enabling Laws as its Metropolitan District Bonds, 2004 Series A, in the aggregate principal amount of ~~\$5,000,000~~ \$4,000,000 (the "Metropolitan District Bonds").

The aggregate principal amount of the Consolidated Public Improvement Bonds and the Metropolitan District Bonds (collectively, the "Bonds") is within the legal limitation on the indebtedness of the County as set forth in Article VI of the Charter of Howard County.

The probable remaining average useful life of the projects to be financed with the proceeds of the Metropolitan District Bonds is more than 35 years, and all of the Metropolitan District Bonds shall be payable within such probable average useful life.

Finally, in order to enable the bidders for the Bonds to comply with the requirements of paragraph (b)(5) of Securities and Exchange Commission Rule 15c2-12, it is necessary that the County enter into a contract to provide certain continuing disclosure information as required by that rule.

Now, therefore, in accordance with the provisions of Article VI of the Charter of Howard County:

Section 1. Be it enacted by the County Council of Howard County, Maryland, That all terms used herein which are defined in the Recitals hereof shall have the meanings given such terms therein.

Section 2. Be it further enacted by the County Council of Howard County, Maryland, (a) That Howard County, Maryland, a body politic and corporate and a Charter county of the State of Maryland (the "County"), pursuant to the authority contained in the Consolidated Public Improvement Bond Enabling Laws, and in accordance with the Master Bond Ordinance, shall borrow upon the full faith

1 and credit of the County and shall issue and sell upon the full faith and credit of the County
2 ~~\$65,990,000~~60,000,000 in aggregate principal amount of its bonds in registered form without coupons,
3 such bonds to be known as "Howard County, Maryland Consolidated Public Improvement Bonds, 2005
4 Series A" (the "Consolidated Public Improvement Bonds", and each such bond, a "Bond"). The date of
5 issue of the Consolidated Public Improvement Bonds shall be January 1, 2005 (the "Dated Date").

6 The Consolidated Public Improvement Bonds shall be dated as of the Dated Date, shall be issued
7 in book-entry form by issuing a single bond for each maturity registered in the name of Cede & Co., as
8 nominee for The Depository Trust Company or its successor ("DTC") (provided that if DTC so requests
9 or if DTC is replaced as the depository for the Consolidated Public Improvement Bonds, replacement
10 bonds shall be issued in denominations of \$5,000 each or any integral multiple thereof), and shall be
11 consecutively numbered in such manner as shall be determined by the Bond Registrar (as defined in
12 Section 11 hereof).

13 The date of the first maturity of the Consolidated Public Improvement Bonds shall be February
14 15, 2006 and the date of the last maturity of the Consolidated Public Improvement Bonds shall be
15 February 15, 2025. The Consolidated Public Improvement Bonds shall be issued in serial form or, if
16 subject to mandatory sinking fund redemption, in term form, or in a combination of such forms, as
17 hereinafter described; and the principal of the Consolidated Public Improvement Bonds shall be payable
18 in 20 consecutive annual installments in the amounts and on the dates set forth in Appendix IV hereto. In
19 accordance with the Notice of Sale (hereinafter defined), each bidder for the Consolidated Public
20 Improvement Bonds shall have the right to designate any two or more sequential maturities of the
21 Consolidated Public Improvement Bonds as mandatory sinking fund installments due on a term bond
22 maturing on the maturity date of the last serial maturity of the sequence in a principal amount equal to the
23 sum of the installments in such sequence. Each bidder may designate more than one term bond. The
24 serial maturities, and, if necessary, mandatory sinking fund installments and term maturities for the
25 Consolidated Public Improvement Bonds shall be those named by the successful bidder for such issue of

1 bonds in accordance with the terms of the Notice of Sale; and any such term Consolidated Public
2 Improvement Bonds shall be subject to mandatory sinking fund redemption by the County prior to
3 maturity as provided in Section 13 of this Ordinance.

4 Certain of the Consolidated Public Improvement Bonds shall also be subject to optional
5 redemption by the County prior to maturity, as provided in Section 13 of this Ordinance.

6 The Consolidated Public Improvement Bonds shall bear interest at the rate or rates named by the
7 successful bidder for the Consolidated Public Improvement Bonds under the terms of the Notice of Sale,
8 and such interest shall be payable on August 15, 2005, and semiannually thereafter on February 15 and
9 August 15 in each year, until and including the date of maturity or earlier redemption. Each Consolidated
10 Public Improvement Bond shall bear interest from the interest payment date next preceding the date of
11 registration and authentication of such Consolidated Public Improvement Bond, unless such Consolidated
12 Public Improvement Bond is registered and authenticated on an interest payment date, in which case it
13 shall bear interest from such interest payment date, or, unless authenticated prior to the first interest
14 payment date, in which case it shall bear interest from the Dated Date, or unless, as shown by the records
15 of the Bond Registrar, interest on such Consolidated Public Improvement Bond shall be in default, in
16 which event such Consolidated Public Improvement Bond shall bear interest from the date to which
17 interest was last paid on such Bond. The Consolidated Public Improvement Bonds shall be in
18 substantially the form of the Consolidated Public Improvement Bond attached hereto as Exhibit A and
19 made a part hereof, and shall be completed in accordance with the provisions of this Ordinance, which
20 form, with such changes therein as the County Executive of the County (the "County Executive") shall
21 approve (such approval to be conclusively evidenced by the execution and delivery of the Consolidated
22 Public Improvement Bonds by the County Executive), together with all of the covenants and conditions
23 therein contained, is hereby adopted by the County as and for the form and tenor of the obligation to be
24 incurred, and such covenants and conditions are hereby made binding upon the County, including the
25 promise to pay therein contained.

1 (b) The Note Ordinance and the Master Bond Ordinance are each hereby
2 supplemented as follows:

3 (i) The Additional Consolidated Public Improvement Bond Enabling Laws
4 shall be added to and incorporated into the definition of "Consolidated Public Bond Enabling Laws"
5 under this Ordinance and into the definition of "Bond Enabling Laws" under the Note Ordinance and the
6 Master Bond Ordinance and shall be Consolidated Public Improvement Bond Enabling Laws for all
7 purposes of this Ordinance.

8 (ii) Appendix II hereto shall be added to and incorporated into Appendix I to
9 the Note Ordinance, which is in turn incorporated into the Master Bond Ordinance. The proceeds of the
10 Notes are hereby authorized to be used to defray a portion of the costs of the Howard County Capital
11 Projects which are designated and described in Appendix II attached hereto, and each of the Howard
12 County Capital Projects set forth therein shall be deemed to be a "Project" for all purposes of the Note
13 Ordinance and the Master Bond Ordinance. The actual costs of such Projects to be so defrayed from the
14 proceeds of the Notes have been or shall be determined by the Director of Finance in accordance with the
15 Note Ordinance as heretofore and hereby supplemented. The estimated costs of such Projects and the
16 other sources of funds for such Projects are set forth in Appendix II attached hereto, and such Appendix II
17 is hereby incorporated into the Note Ordinance and the Master Bond Ordinance by reference and made a
18 part of each of such ordinances.

19 (iii) On and after the date of enactment hereof, all references to "Note
20 Ordinance" in the Note Ordinance or the Master Bond Ordinance shall mean the Note Ordinance as
21 supplemented hereby, and all references to "Bond Ordinance" in the Note Ordinance or the Master Bond
22 Ordinance shall mean the Master Bond Ordinance as supplemented hereby.

23 **Section 3. Be it further enacted by the County Council of Howard County, Maryland, (a)**
24 That payment of the purchase price of the Consolidated Public Improvement Bonds shall be made to the
25 Director of Finance of the County (the "Director of Finance") and all of such proceeds (other than accrued

1 interest) shall be set apart by her in an account or accounts to the credit of "Consolidated Public
2 Improvement Loan, 2005 Series A" and shall be applied as follows:

3 (i) ~~\$65,000,000 of the proceeds~~Proceeds of the Consolidated Public
4 Improvement Bonds shall be applied first to the payment of costs, fees and expenses incurred in the
5 issuance and sale of the Consolidated Public Improvement Bonds.

6 (ii) Proceeds of the Consolidated Public Improvement Bonds shall be applied
7 next to the payment at maturity of the principal of the ~~Refunded Notes~~Designated Notes in an amount
8 equal to the lesser of (A) \$60,000,000 or (b) the proceeds of the Consolidated Public Improvement Bonds
9 remaining after making the payments described in subsection (i) above, rounded, if necessary, to the next
10 lowest authorized denomination of the Notes. The Designated Notes so paid are referred to herein as the
11 "Refunded Notes", and any Designated Notes which are not so paid shall remain outstanding for all

12 purposes of the Note Ordinance. In accordance with the Note Ordinance, a portion of the proceeds of the
13 sale of the ~~Refunded~~Designated Notes has been used, and the remaining portion of the proceeds of the
14 Refunded Notes will be used, after payment of certain costs, fees and expenses incurred in the issuance
15 thereof, to defray a portion of the costs of the Howard County Capital Projects which are designated and
16 described in Appendix I attached to the Note Ordinance and made a part thereof and by reference, a part
17 hereof (the "Public Improvement Capital Projects"). The actual cost of each such Public Improvement
18 Capital Project which has been so defrayed from the proceeds of the sale of the Notes through November
19 12, 2005 is set forth in Appendix I hereto in the column captioned "Note Funded" for such Public
20 Improvement Capital Project listed in Appendix I to this Ordinance. The costs of each Public
21 Improvement Capital Project to be defrayed from the remaining proceeds of the Refunded Notes shall be
22 determined by the Director of Finance, provided that (A) the amount to be applied shall not exceed the
23 amount set forth in Appendix I to the Note Ordinance, as heretofore and hereby modified, in the column
24 captioned "Unsold Bonds" for such Public Improvement Capital Project and (B) no portion of ~~the~~
25 remaining proceeds of the Refunded Notes shall be applied to pay costs of the Excise Tax -Funded

1 Projects (hereinafter defined) or costs of Public Improvement Capital Projects described in Council ~~Bill~~
2 ~~No-Bills~~ Nos. 42-1997, 18-1998, 20-1999, 33-1999, 17-2000, 29-2000, 21-2001, 27-2001, 25-2002, 29-
3 2003, 40-2003, 56-2003, 32-2004 and 19-2004.

4 (iii) The remaining proceeds of the Consolidated Public Improvement Bonds
5 shall be applied ~~(A) to the payment of costs, fees and expenses incurred in the issuance and sale of the~~
6 ~~Consolidated Public Improvement Bonds, and (B) to defray a portion of the other costs of Projects Nos.~~
7 C-0182 (Public Safety Education Center), E-0954 (Glenelg High School Addition) and E-0978 (Cedar
8 Lane School Addition/Renovation) (the "Residual Capital Projects"). The actual costs of the Residual
9 Capital Projects to be defrayed from the proceeds of the Consolidated Public Improvement Bonds shall be
10 determined by the Director of Finance, provided that the amount so applied shall not exceed the
11 difference between the amount set forth in Appendix I attached to the Note Ordinance and made a part
12 hereof in the column captioned "Unsold Bonds" for the Residual Capital Projects and the amount of
13 proceeds of the Notes (including, without limitation, the Refunded Notes) applied to defray costs of the
14 Residual Capital Projects.

15 However, in the event that it is determined after the enactment of this Ordinance and the initial
16 application of the proceeds of the Consolidated Public Improvement Bonds as heretofore described in
17 subsection (ii) or subsection (iii) above that any of the amounts funded with proceeds of the Refunded
18 Notes or the Consolidated Public Improvement Bonds should not have been funded with proceeds
19 thereof, whether as a result of receipt of a grant for such amount or for any other reason, the Director of
20 Finance is authorized to revise the use of such proceeds to pay any other costs of Public Improvement
21 Capital Projects which could have been funded with the proceeds of the Notes or the Consolidated Public
22 Improvement Bonds in accordance with the Note Ordinance and in accordance with this Ordinance; and
23 for such purpose, Appendix I to the Note Ordinance, as heretofore and hereby modified, is hereby
24 incorporated into this Ordinance by reference and made a part hereof. Any such revisions shall be made

1 to any one or more of Public Improvement Capital Projects in such manner and in such amounts as the
2 Director of Finance shall determine in her discretion.

3 (b) Notwithstanding the provisions of subsection (a) of this Section 3, no proceeds of the
4 Consolidated Public Improvement Bonds will be applied in any way which would violate the covenants
5 contained in Section 18 of this Ordinance.

6 (c) The costs of each Public Improvement Capital Project shall include, without
7 limitation, the cost of planning, design, construction, reconstruction, furnishing, equipping,
8 improvements, renovations, remodeling, enlargements, engineering services, architects' services, surveys,
9 landscaping, site development, evaluation studies, land acquisition and related items, appurtenances and
10 incidental activities. The estimated cost of such Public Improvement Capital Projects and the other
11 sources of funds for such Public Improvement Capital Projects are set forth in Appendix I to the Note
12 Ordinance, as heretofore and hereby modified which appendix is incorporated herein by reference and
13 made a part hereof. Such other sources of funds shall include, without limitation, the amount shown in the
14 column captioned "Unsold Bonds" for each such Public Improvement Capital Project as listed in
15 Appendix I to the Note Ordinance, as heretofore and hereby modified, which amount shall be paid from
16 the remaining proceeds of the Notes, from prior or subsequent bond or bond anticipation note issues of
17 the County, from such other sources as the County may hereafter determine, and, for the Residual Capital
18 Projects, from the proceeds of the Consolidated Public Improvement Bonds.

19 (d) The probable remaining average useful life of such Public Improvement Capital
20 Projects is more than 25 years, and all of the Consolidated Public Improvement Bonds issued hereunder
21 will be payable within such period.

22 (e) The \$4,000,000 principal amount of the Consolidated Public Improvement Bonds
23 to be issued to provide funds to pay the principal of the Refunded Notes which were used to pay a portion
24 of the costs of the Public Improvement Capital Projects listed in Appendix VI to this Ordinance (the
25 "Excise Tax-Funded Projects") (in the amounts set forth therein) are intended to be payable from building

1 excise taxes and shall be payable from portions of the annual installments of the Consolidated Public
2 Improvement Bonds maturing on February 15, 2006 to February 15, 2020, in the principal amounts and
3 on the dates set forth in Appendix IV hereto.

4 (f) The accrued interest paid by the purchaser of the Consolidated Public Improvement
5 Bonds shall be applied to the payment of the interest due on the Consolidated Public Improvement Bonds
6 on August 15, 2005; and any remaining proceeds shall be used for (i) any fees, costs and expenses
7 incurred in connection with the issuance of the Consolidated Public Improvement Bonds not paid in
8 accordance with subsection (a)(ii) above, and (ii) the payment of interest on or the principal of the
9 Consolidated Public Improvement Bonds, as the County shall determine in its sole discretion.

10 **Section 4. Be it further enacted by the County Council of Howard County, Maryland, That**
11 for the purpose of paying the interest on the Consolidated Public Improvement Bonds when due and the
12 principal thereof when they respectively mature and are payable, there is hereby levied and there shall
13 hereafter be levied in each fiscal year that any of the Consolidated Public Improvement Bonds are
14 outstanding, ad valorem taxes on real and tangible personal property and intangible property subject to
15 taxation by the County without limitation of rate or amount and, in addition, upon such other intangible
16 property as may be subject to taxation by the County within limitations prescribed by law, in an amount
17 sufficient, together with funds available from other sources (including, without limitation, building excise
18 taxes), to pay the annual interest (payable in the manner set forth herein) on the outstanding Consolidated
19 Public Improvement Bonds and to pay the principal of the Consolidated Public Improvement Bonds
20 maturing during the succeeding year; and the full faith and credit and the unlimited taxing power of the
21 County are hereby irrevocably pledged to the punctual payment of the principal of and interest on the
22 Consolidated Public Improvement Bonds as and when the same respectively mature.

23 **Section 5. Be it further enacted by the County Council of Howard County, Maryland, That**
24 the County shall pay all of the Refunded Notes, ~~in the aggregate principal amount of \$65,000,000,~~ in
25 accordance with the Note Ordinance, on or before April ~~15, 22,~~ 2005.

1 **Section 6. Be it further enacted by the County Council of Howard County, Maryland,** That
2 the County, pursuant to the authority contained in the Metropolitan District Bond Enabling Laws, shall
3 borrow upon the full faith and credit of the County and shall issue and sell upon the full faith and credit of
4 the County ~~\$5,000,000~~4,000,000 in aggregate principal amount of its bonds in registered form without
5 coupons, such bonds to be known as "Howard County, Maryland Metropolitan District Bonds, 2005
6 Series A" (the "Metropolitan District Bonds", and each such bond, a "Metropolitan District Bond"). The
7 date of issue of the Metropolitan District Bonds shall be the Dated Date.

8 The Metropolitan District Bonds shall be dated as of the Dated Date, shall be issued in book-entry
9 form by issuing a single bond for each maturity registered in the name of Cede & Co., as nominee for
10 DTC (provided that if DTC so requests or if DTC is replaced as the depository for the Metropolitan
11 District Bonds, replacement bonds shall be issued in denominations of \$5,000 each or any integral
12 multiple thereof), and shall be consecutively numbered in such manner as shall be determined by the
13 Bond Registrar.

14 The date of the first maturity of the Metropolitan District Bonds shall be February 15, ~~2005~~2006,
15 and the date of the last maturity of the Metropolitan District Bonds shall be February 15, 2034.

16 The Metropolitan District Bonds shall be issued in serial form or, if subject to mandatory sinking
17 fund redemption, in term form, or in a combination of such forms, as hereinafter described; and the
18 principal of the Metropolitan District Bonds shall be payable in 29 consecutive annual installments in the
19 principal amounts and on the dates set forth in Appendix V hereto.

20 In accordance with the terms of the Notice of Sale, each bidder for the Metropolitan District
21 Bonds shall have the right to designate any two or more sequential maturities of the Metropolitan District
22 Bonds as mandatory sinking fund installments due on a term bond maturing on the maturity date of the
23 last serial maturity of the sequence in a principal amount equal to the sum of the installments in such
24 sequence. Each bidder may designate more than one term bond. The serial maturities and, if applicable,
25 mandatory sinking fund installments and term maturities for the Metropolitan District Bonds shall be

1 those named by the successful bidder for such issue of bonds in accordance with the terms of the Notice
2 of Sale; and any such term Metropolitan District Bonds shall be subject to mandatory sinking fund
3 redemption by the County prior to maturity as provided in Section 13 of this Ordinance.

4 Certain of the Metropolitan District Bonds shall also be subject to optional redemption by the
5 County prior to maturity, as provided in Section 13 of this Ordinance.

6 The Metropolitan District Bonds shall bear interest at the rate or rates named by the successful
7 bidder for the Metropolitan District Bonds under the terms of the Notice of Sale, and such interest shall be
8 payable on August 15, 2005 and semiannually thereafter on February 15 and August 15 in each year, until
9 and including the date of maturity or earlier redemption. Each Metropolitan District Bond shall bear
10 interest from the interest payment date next preceding the date of registration and authentication of such
11 Metropolitan District Bond, unless such Metropolitan District Bond is registered and authenticated on an
12 interest payment date, in which case it shall bear interest from such interest payment date, or, unless
13 authenticated prior to the first interest payment date, in which case it shall bear interest from the Dated
14 Date, or unless, as shown by the records of the Bond Registrar, interest on such Metropolitan District
15 Bond shall be in default, in which event such Metropolitan District Bond shall bear interest from the date
16 to which interest was last paid on such Metropolitan District Bond. The Metropolitan District Bonds shall
17 be in substantially the form of Metropolitan District Bond attached hereto as Exhibit B and made a part
18 hereof, and shall be completed in accordance with the provisions of this Ordinance. Such form, with such
19 changes therein as the County Executive shall approve (such approval to be conclusively evidenced by
20 the execution and delivery of the Metropolitan District Bonds by the County Executive), together with all
21 of the covenants and conditions therein contained, is hereby adopted by the County as and for the form
22 and tenor of the obligation to be incurred, and such covenants and conditions are hereby made binding
23 upon the County, including the promise to pay therein contained.

24 **Section 7. Be it further enacted by the County Council of Howard County, Maryland, That**
25 payment of the purchase price of the Metropolitan District Bonds shall be made to the Director of Finance

1 and shall be set apart by her in an account or accounts to the credit of "Metropolitan District Loan, 2005
2 Series A" and shall be applied as follows:

3 (a) The Director of Finance (i) shall pay from such account or accounts all costs, fees and
4 expenses incurred in the issuance and sale of the Metropolitan District Bonds, to the extent such fees,
5 costs and expenses are not paid from other sources, and (ii) shall disburse the balance of the purchase
6 price, excluding accrued interest paid by the purchaser of the Metropolitan District Bonds (which shall be
7 applied as set forth in (b) below), to defray a portion of the costs of the Metropolitan District Capital
8 Projects designated and described in Appendix III attached to this Ordinance and made a part hereof. The
9 actual costs of each such Metropolitan District Capital Project to be defrayed from the proceeds of the
10 Metropolitan District Bonds shall be determined by the Director of Finance, provided that (i) the amount
11 to be applied to any Metropolitan District Capital Project shall not exceed the amount shown in the
12 column captioned "Unsold Bonds" for such Metropolitan District Capital Project listed in Appendix III to
13 this Ordinance, (ii) to the extent that the proceeds of the Metropolitan District Bonds applied to defray the
14 costs of each Metropolitan District Capital Project are less than the amount described in (i) above, the
15 difference shall be paid from prior or subsequent bond or bond anticipation note issues of the County or
16 from such other sources as the County may hereafter determine, and (iii) no proceeds of the Metropolitan
17 District Bonds will be applied in any way which would violate the covenants contained in Section 18 of
18 this Ordinance. However, in the event that it is determined after the enactment of this Ordinance and the
19 initial application of the proceeds of the Metropolitan District Bonds as heretofore described in this
20 subsection (i) that any of the amounts funded with proceeds of the Metropolitan District Bonds should not
21 have been funded with proceeds thereof, whether as a result of receipt of a grant for such amount or for
22 any other reason, the Director of Finance is authorized to revise the use of such proceeds to pay any other
23 costs of Metropolitan District Capital Projects which could have been funded with the proceeds of the
24 Metropolitan District Bonds in accordance with this Ordinance ~~and the Note Ordinance.~~

1 (b) The costs of each Metropolitan District Capital Project include, without limitation, the
2 cost of planning, design, construction, reconstruction, furnishing, equipping, improvements, renovations,
3 remodeling, enlargements, engineering services, architects' services, surveys, landscaping, site
4 development, evaluation studies, land acquisition and related items, appurtenances and incidental
5 activities. The estimated cost of such Metropolitan District Capital Projects and the other sources of
6 funds for such capital projects are set forth in Appendix III attached to this Ordinance and made a part
7 hereof. The probable average useful life of such Metropolitan District Capital Projects is more than 35
8 years, and all of the Metropolitan District Bonds issued hereunder will be payable within such period.

9 (c) The accrued interest paid by the purchaser of the Metropolitan District Bonds shall be
10 applied to the payment of the interest due on the Metropolitan District Bonds on August 15, 2005 and any
11 remaining proceeds shall be used for (i) fees, costs and expenses incurred in connection with the issuance
12 of the Metropolitan District Bonds, and (ii) the payment of interest on or the principal of the Metropolitan
13 District Bonds, as the County shall determine in its sole discretion.

14 **Section 8. Be it further enacted by the County Council of Howard County, Maryland, That**
15 for the purpose of paying the interest on the Metropolitan District Bonds when due and the principal
16 thereof when they respectively mature and are payable, there is hereby levied and there shall hereafter be
17 levied in each fiscal year that any of the Metropolitan District Bonds are outstanding, ad valorem taxes on
18 real and tangible personal property and intangible property subject to taxation by the County without
19 limitation of rate or amount and, in addition, upon such other intangible property as may be subject to
20 taxation by the County within limitations prescribed by law, in an amount sufficient, together with benefit
21 assessments, ad valorem taxes upon assessable property in the Metropolitan District and other available
22 funds, to pay the annual interest (payable in the manner set forth herein) on the outstanding Metropolitan
23 District Bonds and to pay the principal of the Metropolitan District Bonds maturing during the succeeding
24 year; and the full faith and credit and the unlimited taxing power of the County are hereby irrevocably

pledged to the punctual payment of the principal of and interest on the Metropolitan District Bonds as and when the same respectively mature.

Section 9. Be it further enacted by the County Council of Howard County, Maryland, That the Consolidated Public Improvement Bonds and the Metropolitan District Bonds (hereinafter sometimes collectively called the "Bonds", and each Consolidated Public Improvement Bond and Metropolitan District Bond being hereinafter sometimes called a "Bond") shall be signed by the County Executive and by the Director of Finance by manual or facsimile signature, and the Bonds shall bear the corporate seal of the County, or a facsimile thereof, attested by the manual or facsimile signature of the Chief Administrative Officer of the County (the "Chief Administrative Officer"). In the event that any officer whose signature shall appear on the Bonds shall cease to be such officer before the delivery of the Bonds, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

Section 10. Be it further enacted by the County Council of Howard County, Maryland, (a) That the County Executive is hereby authorized to make such modifications to the forms of the Bonds as may be appropriate to conform to any standard specifications for registered municipal securities which may be promulgated by any body generally recognized in the municipal securities industry (including, without limitation, the American National Standards Institute) in order to facilitate computer or other mechanical processing methods for registration of municipal bonds.

(b) The County Executive shall also initiate a system for registration of the Bonds of both issues in book-entry form and is hereby authorized to enter into such agreements and to make such modifications to the forms of the Bonds and the form of the Notice of Sale (as set forth in Exhibit B hereto) as may be necessary to provide for registration of the Bonds of both issues in book-entry form, with DTC, by issuance of not less than one bond of each maturity.

(c) The County Executive may replace any depository for the Bonds pursuant to a book-entry registration system established in accordance with this Section if the County Executive determines that

1 such depository is incapable of discharging its duties with respect to the Bonds, or that the interest of the
2 beneficial owners of the Bonds might be adversely affected by the continuation of such book-entry
3 system. Notice of such determination shall be given to such depository not less than 30 days prior to any
4 such determination. Thereafter, the County Executive may issue replacement Bonds to a substitute
5 securities depository, to participants of a securities depository to be replaced or to beneficial owners of
6 the Bonds properly identified by such participants.

7 (d) When the County Executive initiates a book entry registration system to be maintained by
8 DTC or replaces DTC with another municipal securities depository (either a "Depository"), the County
9 Executive shall rely on the Blanket Letter of Representations from the County to DTC dated March 20,
10 1997 or execute and deliver to the Depository any other or additional representation letters as shall be
11 deemed necessary or appropriate by the County Executive or other agreements then required by the
12 Depository in order to qualify the Bonds for registration in book-entry form by the Depository. The
13 County Executive is hereby authorized to agree to any different manner for the payment of interest or
14 principal or any different procedures for the redemption of bonds which is determined in accordance with
15 any representation letters entered into with any Depository. Transfer or crediting of the appropriate
16 principal and interest to the participants in the Depository will be the responsibility of the Depository, and
17 transfer and crediting of principal and interest payments to the beneficial owners of the Bonds or their
18 nominees will be the responsibility of the participants in the Depository. Transfers of beneficial
19 ownership of the Bonds will be effected on the records of the Depository (and its participants) pursuant to
20 rules and procedures established by the Depository.

21 (e) Any securities depository selected in accordance with this Ordinance and each of its
22 participants and the beneficial owners of the Bonds, by their acceptance of the Bonds shall agree that the
23 County and the County Executive shall have no liability for the failure of any such securities depository
24 which may be selected as herein provided to perform its obligations to the participants and the beneficial
25 owners of the Bonds, nor shall either the County or the County Executive be liable for the failure of any

1 participant or other nominee of the beneficial owners to perform any obligation the participant may incur
2 to a beneficial owner of the Bonds.

3 **Section 11. Be it further enacted by the County Council of Howard County, Maryland, That**
4 the Director of Finance is hereby designated and appointed as bond registrar, paying agent and
5 authenticating agent for the Bonds (the "Bond Registrar"). The Bond Registrar shall maintain books of
6 the County for the registration and transfer of the Bonds. No Bonds may be registered to bearer. In
7 addition, the County may from time to time, either prior to or following the issuance of the Bonds,
8 designate and appoint the Department of Finance of the County, any officer or employee of the County or
9 one or more banks, trust companies, corporations or other financial institutions to act as a substitute or
10 alternate bond registrar, paying agent or authenticating agent for the Bonds, and any such substitute or
11 alternate shall be deemed to be the Bond Registrar or an alternate Bond Registrar for all purposes
12 specified in the resolution appointing such substitute or alternate. Any such appointment shall be made
13 by the County Council by resolution; and the exercise of such power of appointment, no matter how
14 often, shall not be an exhaustion thereof.

15 **Section 12. Be it further enacted by the County Council of Howard County, Maryland, That**
16 the Bonds shall be authenticated and shall be subject to registration, exchange and transfer as follows:

17 (a) No Consolidated Public Improvement Bond or Metropolitan District Bond shall be valid or
18 obligatory for any purpose unless and until the certificate of authentication substantially in the form set
19 forth in, respectively, Exhibit A or Exhibit B hereto shall have been duly executed by the Bond Registrar,
20 and such executed certificate of the Bond Registrar upon any such Bond shall be conclusive evidence that
21 such Bond has been authenticated and delivered pursuant to this Ordinance. The Bond Registrar's
22 certificate of authentication on any Bond shall be deemed to have been executed by it if manually signed
23 by an authorized signer of the Bond Registrar, but it shall not be necessary that the same person sign the
24 certificate of authentication on all of the Bonds issued hereunder.

(b) Each Bond shall be transferable only upon the books of the County maintained by the Bond Registrar, at the written request of the registered owner thereof or his attorney duly authorized in writing, but no Bond will be transferred unless DTC determines to discontinue providing its services as a securities depository or directs that such Bonds be reregistered in a different name, or unless DTC is removed as the Depository. Any such transfer of such Bond shall be made, upon surrender thereof, together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his attorney duly authorized in writing. Upon the surrender for transfer of any Bond, the County shall issue, and the Bond Registrar shall authenticate, in the name of the transferee, in authorized denominations, a new Bond or Bonds of the same issue and aggregate principal amount and of the same form and tenor as the surrendered Bond. If any Bond is presented for such purpose at the principal office of the Bond Registrar, the Bond Registrar shall register or cause to be registered in the Bond Register and permit to be transferred thereon, under such reasonable regulations as the County or the Bond Registrar may prescribe, any Bond entitled to registration or transfer. So long as any of the Bonds remain outstanding, the County shall cooperate in making all necessary provisions to permit the exchange of Bonds at the principal office of the Bond Registrar.

The County and the Bond Registrar may deem and treat the person in whose name any Bond shall be registered upon the books of the County as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and premium, if any, and interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the County nor the Bond Registrar shall be affected by any notice to the contrary.

The Bonds, upon surrender thereof at the principal office of the Bond Registrar with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or his duly authorized attorney, may, at the option of the registered owner thereof, be exchanged for an equal

1 aggregate principal amount of Bonds of the same issue and maturity and of any other authorized
2 denominations.

3 In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the
4 County shall execute and the Bond Registrar shall authenticate and deliver Bonds in accordance with the
5 provisions of this Ordinance. All Bonds surrendered in any such exchanges or transfers shall forthwith be
6 canceled by the Bond Registrar. For every such exchange or transfer of Bonds, the County or the Bond
7 Registrar shall make a charge for any tax or other governmental charge required to be paid with respect to
8 such exchange or transfer. Such charge shall be paid by the person requesting such exchange or transfer
9 as a condition precedent to the exercise of the privilege of making such exchange or transfer. The Bond
10 Registrar shall not be obligated to make any such exchange or transfer of Bonds during the 15 days next
11 preceding an interest payment date on the Bonds, or in case of any proposed redemption of the Bonds,
12 during the 15 days next preceding the date of the mailing of notice of such redemption. The Bond
13 Registrar shall not be required to make any transfer or exchange of any Bonds called for redemption.

14 (c) In the event any Bond is mutilated, lost, stolen or destroyed, the County may execute and the
15 Bond Registrar may authenticate a new Bond of like date, maturity, interest rate and denomination as that
16 of the Bond mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Bonds, such
17 mutilated Bonds shall first be surrendered to the Bond Registrar, and in the case of any lost, stolen or
18 destroyed Bond there shall be first furnished to the County and the Bond Registrar evidence of such loss,
19 theft or destruction satisfactory to the County and the Bond Registrar, together with indemnity
20 satisfactory to them. In the event any such Bond shall be about to mature or have matured or been called
21 for redemption, instead of issuing a duplicate Bond the Bond Registrar may pay the same without
22 surrender thereof. The County and the Bond Registrar may charge the registered owner of such Bond
23 their expenses and reasonable fees, if any, in this connection.

24 **Section 13. Be it further enacted by the County Council of Howard County, Maryland, That**
25 certain of the Bonds shall be subject to redemption prior to maturity as follows:

1 The term Consolidated Public Improvement Bonds and the term Metropolitan District Bonds
2 (hereinafter sometimes collectively called the "Term Bonds", and each term Consolidated Public
3 Improvement Bond and term Metropolitan District Bond being hereinafter sometimes called a "Term
4 Bond"), if any, shall be subject to mandatory sinking fund redemption by the County at a redemption
5 price equal to 100% of the principal amount thereof. Each such mandatory sinking fund redemption shall
6 be made on the date on which a sequential maturity included as part of a Term Bond is payable in
7 accordance with Appendix IV to this Ordinance (for a term Consolidated Public Improvement Bond) or
8 Appendix V to this Ordinance (for a term Metropolitan District Bond) and in the amount of the maturing
9 principal installment listed in Appendix IV to this Ordinance (for a term Consolidated Public
10 Improvement Bond) or Appendix V to this Ordinance (for a term Metropolitan District Bond) for such
11 maturity date.

12 (b) The Consolidated Public Improvement Bonds maturing on or after February 15,
13 ~~2014~~2013, shall be also subject to redemption prior to their respective maturities, at the option of the
14 County, at any time on or after ~~February 15,~~January 1, 2013, as a whole or in part, but only upon payment
15 of the applicable redemption price set forth in the following schedule, expressed as a percentage of the
16 principal amount thereof, together with accrued interest to the date fixed for redemption at the rate or
17 rates stated in the Consolidated Public Improvement Bonds to be redeemed:

| Redemption Dates | Redemption Prices |
|---|----------------------|
| February 15, <u>January 1,</u> 2013 to | |
| February 14, 2014 <u>December 31, 2013</u> | 101% |
| February 15, <u>January 1,</u> 2014 and thereafter | 100% |

25 (c) The Metropolitan District Bonds maturing on or after February 15, ~~2015~~2014, shall also
26 be subject to redemption prior to their respective maturities, at the option of the County, at any time on or
27 after ~~February 15,~~January 1, 2014, as a whole or in part, but only upon payment of the applicable
28 redemption price set forth in the following schedule, expressed as a percentage of the principal amount

thereof, together with accrued interest to the date fixed for redemption at the rate or rates stated in the Metropolitan District Bonds to be redeemed:

| Redemption Dates | Redemption Prices |
|---|-------------------|
| February 15, 2014 January 1, 2014 to | |
| February 14, 2015 December 31, 2014 | 101% |
| February 15, 2015 January 1, 2015 and thereafter | 100% |

(d) The Bonds shall be redeemed only in integral multiples of \$5,000. If less than all of the outstanding Consolidated Public Improvement Bonds or Metropolitan District Bonds shall be called for optional redemption, the County shall choose the maturities of the Consolidated Public Improvement Bonds or Metropolitan District Bonds to be redeemed and the principal amount of each such maturity to be redeemed, in its sole discretion. If less than all of the Consolidated Public Improvement Bonds or Metropolitan District Bonds of any one maturity shall be called for optional redemption, then the particular Consolidated Public Improvement Bonds or Metropolitan District Bonds (whichever are to be redeemed) of such maturity, or portions of such Consolidated Public Improvement Bonds or Metropolitan District Bonds, to be so redeemed shall be chosen by DTC in accordance with its normal and customary procedures (so long as the Bonds are in book-entry form) or, if the book-entry form has been discontinued, by lot by the Bond Registrar in such manner as the Bond Registrar, in her discretion, shall determine; and, for an optional redemption, if such maturity consists of Term Bonds, the County shall choose the mandatory sinking fund redemption installments of such Term Bonds to be reduced and the amount of each such reduction, in its sole discretion.

(e) Unless notice of redemption shall be waived in writing by the registered owners of the Bonds to be redeemed, a notice calling for redemption of the Bonds to be redeemed shall be mailed by the Bond Registrar, not less than 30 days nor more than 45 days prior to the date fixed for redemption (the "Redemption Date"), to all registered owners of the Bonds to be redeemed (in whole or in part), at their last addresses appearing on the registration books kept by the Bond Registrar, by first-class mail, postage

1 prepaid (provided, however, that, so long as all of the Bonds are registered in the name of Cede & Co., as
2 nominee for DTC, such notice shall be given by a secure means (e.g. legible facsimile transmission,
3 registered or certified mail or overnight express delivery) in a timely manner designed to assure that such
4 notice is in DTC's possession no later than the close of business on such thirtieth day); but failure to mail
5 or deliver any such notice or any defect in the notice so mailed or delivered, or in the mailing or delivery
6 thereof, shall not affect the validity of any redemption proceedings. Such notice shall specify the issue,
7 CUSIP numbers and maturities of the Bonds to be redeemed (in whole or in part), and, for a partial
8 redemption, the numbers of the Bonds to be redeemed, which statement of numbers may be from one
9 number to another, inclusive, the date of the notice, the Redemption Date, the redemption price, and the
10 name, address and telephone number of the Bond Registrar and shall further state that, on the Redemption
11 Date, the Bonds called for redemption will be due and become payable at the office of the Bond Registrar,
12 and that, from and after the Redemption Date, interest thereon shall cease to accrue. The Bond Registrar
13 will use its best efforts to mail a second notice of redemption to registered owners of Bonds who have not
14 presented their Bonds for redemption 60 days after the Redemption Date.

15 (f) On the Redemption Date, notice having been mailed or waived and moneys for the
16 payment of the redemption price plus accrued interest being held by the Bond Registrar, the Bonds (or
17 portions thereof) so called for redemption shall become due and payable at the redemption price provided
18 for redemption of such Bonds (or such portions thereof) on the Redemption Date, interest on such Bonds
19 so called for redemption shall cease to accrue and the holders or registered owners of such Bonds (or
20 such portions thereof) so called for redemption shall have no rights in respect thereto except to receive
21 payment of the redemption price thereof, plus accrued interest thereon to the Redemption Date from such
22 moneys held by the Bond Registrar.

23 (g) If it is determined that a portion, but not all of the principal amount represented by any
24 Bond is to be called for redemption, then upon notice of intention to redeem such portion, the registered
25 owner of such Bond shall forthwith surrender such Bond to the Bond Registrar (i) for payment of the

1 redemption price (including the premium, if any, and interest to the Redemption Date) of the portion of
2 the principal amount thereof called for redemption and (ii) in exchange for a new Bond of the
3 unredeemed balance of the principal amount of such Bond, and having the same form and tenor as such
4 Bond; provided, however, that, so long as Cede & Co. is the registered owner of all of the Bonds, DTC
5 may make an appropriate notation on the applicable Bonds indicating the date and amounts of such
6 reduction in principal and notify the County in writing of such action. If the Bonds are required to be
7 surrendered to the Bond Registrar, new Bonds representing the unredeemed balance of the principal
8 amount of such Bond shall be issued to the registered owner thereof without charge therefor. If the
9 registered owner of any such Bond shall fail to present such Bond to the Bond Registrar for payment and
10 exchange as aforesaid, such Bond shall nevertheless become due and payable on the date fixed for
11 redemption to the extent of the portion of the principal amount called for redemption (and to that extent
12 only). Interest shall cease to accrue on the portion of the principal amount of such Bond called for
13 redemption on and after the Redemption Date, and no new Bonds shall be thereafter issued corresponding
14 to such portion.

15 **Section 14. Be it further enacted by the County Council of Howard County, Maryland,**

16 That the Consolidated Public Improvement Bonds and the Metropolitan District Bonds shall each be sold
17 at public sale as a separate issue upon submission of electronic bids using the *PARITY* bidding system
18 (“*PARITY*”) and/or sealed bids to the bidder or bidders therefor whose bid for such issue provides the
19 lowest interest cost to the County (as determined in accordance with the true interest cost (TIC) method)
20 for that issue, for cash at not less than 98.5% of par and accrued interest, after advertisement by Notice of
21 Sale published at least twice in one or more daily or weekly newspapers having a general circulation in
22 Howard County, Maryland, the first such advertisement to be published not less than 10 days preceding
23 the date of sale. The sale of the Bonds shall be held at 11:00 o'clock A.M., prevailing Eastern time, on
24 January ~~4~~5, 2005; provided, however, that the County Council may by resolution change the date or
25 time of such sale. The Bonds of each issue shall be sold upon the terms and conditions set forth in the

1 official Notice of Sale so published, which shall be substantially in the form attached hereto as Exhibit C
2 and made a part hereof, with such changes therein as the County Executive shall approve, and which
3 terms and conditions of sale are incorporated herein by reference and made a part hereof. The County
4 Council may, by resolution, revise, or ratify the revisions made by the County Executive to, the terms
5 and conditions of sale as set forth in the Notice of Sale, as described in the Notice of Sale. Notice of any
6 such revisions shall be given as provided in the form of the Notice of Sale attached hereto as Exhibit C.
7 The Director of Finance may also publish notice of the proposed sale of the Bonds in such form, in such
8 other publications and at such times as she may deem appropriate.

9 **Section 15. Be it further enacted by the County Council of Howard County, Maryland, That**
10 immediately after the sale of the Bonds of each issue, the interest rate or rates payable thereon, the
11 schedule of maturities of and, if applicable, the schedule of mandatory sinking fund installments for, the
12 Bonds of such issue shall be fixed by supplementary resolution according to the terms and conditions of
13 the sale, and such Bonds shall thereupon be suitably prepared and delivered to the Bond Registrar for
14 completion, authentication and delivery to DTC for the account of the successful bidder or bidders
15 therefor as provided in the published Notice of Sale for the Bonds. The proceeds of the sale of the Bonds
16 shall be paid to the Director of Finance and disbursed by her as provided in this Ordinance.

17 **Section 16. Be it further enacted by the County Council of Howard County, Maryland, That**
18 (a) all sealed bid proposals for the Consolidated Public Improvement Bonds and the Metropolitan District
19 Bonds shall be substantially in the forms attached hereto as Exhibit D, with such changes therein as the
20 County Executive shall approve and (b) all electronic bids shall be made in accordance with *PARITY*.

21 **Section 17. Be it further enacted by the County Council of Howard County, Maryland, (a)**
22 That until the definitive Bonds are prepared, the County may sign, in the same manner as is provided in
23 Section 9 of this Ordinance, and the Bond Registrar shall authenticate and deliver, one or more temporary
24 Bonds. Such temporary Bonds shall be subject to the same provisions, limitations and conditions as the
25 definitive Bonds and shall be substantially of the tenor of the definitive Bonds in place of which such

1 temporary Bonds are issued in the denominations authorized by the County, and with such omissions,
2 insertions and variations as may be appropriate for temporary Bonds. The County shall prepare and
3 execute and, upon the surrender of such temporary Bonds, shall deliver in exchange therefor definitive
4 Bonds of the same aggregate principal amount and maturity as the temporary Bonds surrendered. Until
5 so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as
6 definitive Bonds issued pursuant to this Ordinance.

7 (b) If the County shall authorize the issuance of temporary Bonds in more than one
8 denomination, the registered owner of any temporary Bond or Bonds, at his option, may surrender such
9 Bond to the Bond Registrar in exchange for another temporary Bond or Bonds of like aggregate principal
10 amount and maturity of any other authorized denomination or denominations, and thereupon the County
11 shall execute and the Bond Registrar, in exchange for the temporary Bond or Bonds so surrendered and
12 upon payment of the taxes, fees and charges provided for in Section 12 of this Ordinance, shall
13 authenticate and deliver a temporary Bond or Bonds of like aggregate principal amount, series and
14 maturity in such other authorized denomination or denominations as shall be requested by such owner.

15 (c) All temporary Bonds surrendered in exchange either for another temporary Bond or
16 Bonds or for a definitive Bond or Bonds shall be forthwith canceled by the Bond Registrar.

17 **Section 18. Be it further enacted by the County Council of Howard County, Maryland, That**
18 the County covenants and agrees with the registered owners from time to time of the Bonds as follows:

19 (a) The County covenants that it will not make any use of the proceeds of any of the Bonds
20 or any moneys, securities or other obligations on deposit to the credit of the County or otherwise which
21 may be deemed by the Internal Revenue Service to be proceeds of any of the Bonds pursuant to the
22 Internal Revenue Code of 1986, as amended, and Income Tax Regulations thereunder (collectively, the
23 "Code"), which would cause any of the Bonds to be "arbitrage bonds" or "private activity bonds" within
24 the meaning of the Code.

1 (b) The County further covenants that it will comply with those provisions of the Code which
2 are applicable to the Bonds on the date of issuance of the Bonds and which may subsequently lawfully be
3 made applicable to the Bonds. To the extent that provisions of the Code apply to only a portion of the
4 Bonds, proceeds of the Bonds or other moneys, securities or other obligations deemed to be proceeds, it is
5 intended that the covenants of the County contained in this Section 18 be construed so as to require the
6 County to comply with the provisions of the Code only to the extent of such applicability.

7 (c) The County further covenants that it will not (i) take any action, (ii) fail to take any
8 action, or (iii) make any use of the proceeds of any of the Bonds which would cause the interest on any of
9 the Bonds to be or become includible in the gross income of the holders thereof for purposes of federal
10 income taxation.

11 **Section 19. Be it further enacted by the County Council of Howard County, Maryland,** That
12 in order to enable the bidders for the Bonds to comply with the requirements of paragraph (b)(5) of
13 Securities and Exchange Commission Rule 15c2-12, the County shall execute and deliver, on or before
14 the date of issuance and delivery of the Bonds, a Continuing Disclosure Agreement in substantially the
15 form attached hereto as Exhibit E, with such changes therein as the County Executive may approve, and
16 the terms and conditions of such Continuing Disclosure Agreement are incorporated by reference herein
17 and made a part hereof. Certain of the eleven events listed in Section 4(a) of the Continuing Disclosure
18 Agreement have been included for compliance with Rule 15c2-12 but are not relevant for the Bonds,
19 specifically those events relating to debt service reserves, credit enhancements and liquidity providers,
20 and property or other collateral.

21 **Section 20. Be it further enacted by the County Council of Howard County, Maryland,** (a)
22 That this ordinance shall be supplemental to the Master Bond Ordinance and shall be a "Supplemental
23 Ordinance" as defined therein; provided, however, that to the extent that any of the terms and provisions
24 of this Ordinance conflict with the terms and provisions of the Master Bond Ordinance, the terms and
25 provisions of this Ordinance shall control.

1 (b) It is hereby found and determined that the modification and supplementation of the
2 Master Bond Ordinance, as provided herein, is in the best interest of the County and is not adverse to the
3 interests of the holders of the Notes.

4 (c) Except as hereby or heretofore supplemented, the Master Bond Ordinance shall remain in full
5 force and effect; and each such ordinance, as so modified and supplemented, is ratified and confirmed.

6 **Section 21. Be it further enacted by the County Council of Howard County, Maryland, That**
7 this Ordinance shall take effect on the date of its enactment.

1 EXHIBITS AND APPENDICES

2 EXHIBIT A - Form of Consolidated Public Improvement Bonds

3 EXHIBIT B - Form of Metropolitan District Bonds

4 EXHIBIT C - Form of Notice of Sale

5 EXHIBIT D - Forms of Sealed-Bid Proposals for the Bonds

6 EXHIBIT E - Form of Continuing Disclosure Agreement

7 APPENDIX I - Schedule of Public Improvement Capital Projects Funded from Proceeds
8 of the Notes through November 12, 2004, including Amounts so
9 Funded

10
11 APPENDIX II - Description of Additional Public Improvement Capital Projects
12 Authorized by the Additional Consolidated Public Improvement Bond
13 Enabling Laws

14
15 APPENDIX III - Schedule of Metropolitan District Bonds, Project Costs and Other
16 Sources of Funds

17
18 APPENDIX IV - Schedule of Annual Payment Amounts and Payment Dates for
19 Consolidated Public Improvement Bonds

20
21 APPENDIX V - Schedule of Annual Payment Amounts and Payments Dates for
22 Metropolitan District Bonds

23
24 APPENDIX VI - Schedule of Excise Tax-Funded Projects

25
26
27 ~~_____ The Exhibits and Appendices listed above were still in the process of being finalized when this~~
28 ~~Bill was prefiled. The substantially final forms of such Exhibits and Appendices will be added by an~~
29 ~~amendment to this Bill prior to its being voted upon by the County Council.~~
30

Exhibit A

Form of Consolidated Public Improvement Bond

No. R-____

\$_____

UNITED STATES OF AMERICA
STATE OF MARYLAND
HOWARD COUNTY, MARYLAND
CONSOLIDATED PUBLIC IMPROVEMENT BOND
2005 SERIES A

| <u>Interest Rate</u> | <u>Date of Issue</u> | <u>Maturity Date</u> | <u>CUSIP</u> |
|----------------------|----------------------|----------------------|--------------|
| ____% | January 1, 2005 | February 15, ____ | _____ |

Registered Owner: CEDE & CO.

Principal Amount:

HOWARD COUNTY, MARYLAND, a body politic and corporate, organized and existing under the Constitution and laws of the State of Maryland (the "County"), for value received, hereby promises to pay to the Registered Owner of this bond as set forth above, or registered assigns, the Principal Amount shown hereon on the Maturity Date shown hereon (or earlier as provided herein) and to pay interest on such Principal Amount from and including the interest payment date next preceding the date of registration and authentication of this bond, unless this bond is registered and authenticated as of an interest payment date, in which case it shall bear interest from such interest payment date, or unless this bond is registered and authenticated prior to August 15, 2005, in which event this bond shall bear interest from January 1, 2005, or unless, as shown by the records of the Bond Registrar (hereinafter defined), interest on this bond shall be in default, in which event this bond shall bear interest from the date on which interest was last paid on this bond, at the Interest Rate per annum shown hereon, payable on August 15, 2005 and semiannually thereafter on each February 15 and August 15 until maturity or earlier redemption.

Both the principal of and interest on this bond are payable in lawful money of the United States of America, at the time of payment. Payment of the principal on this bond shall be made upon presentation and surrender hereof at the principal office of the Director of Finance of the County, or his successor as bond registrar (the "Bond Registrar"). Payment of interest on this bond shall be made by the Bond Registrar on each interest payment date to the person appearing on the registration books of the County maintained by the Bond Registrar as the registered owner hereof, by check or draft mailed to such registered owner at his or her address as it appears on such registration books.

This bond is one of an issue of bonds of the County in the aggregate principal amount of \$60,000,000, all dated as of January 1, 2005, and known as "Howard County, Maryland Consolidated Public Improvement Bonds, 2005 Series A" (the "Bonds").

The Bonds are issued pursuant to the authority of Council Bills Nos. 16, 18, 19 and 27, enacted during the 1998 Legislative Session, Council Bills Nos. 19, 20, 22, 32, 33, 53 and 56, enacted during the 1999 Legislative Session, Council Bills Nos. 15, 17, 27 and 29, enacted during the 2000 Legislative

Session, Council Bills Nos. 18, 21, 26, 27 and 58, enacted during the 2001 Legislative Session, Council Bills Nos. 24, 25 and 35, enacted during the 2002 Legislative Session, Council Bills Nos. 28, 29, 39, 40, 55 and 56, enacted during the 2003 Legislative Session and Council Bills Nos. 18, 19, 20, 31 and 32 enacted during the 2004 Legislative Session and in accordance with proper proceedings duly had and taken by the County Council of Howard County, particularly Council Bill No. 22-2002, enacted during the 2002 Legislative Session, as heretofore supplemented, and Council Bill No.73-2004, enacted and effective on December __, 2004 (the "Ordinance").

The Bonds shall be issued as fully registered bonds without coupons in denominations of \$5,000 or any integral multiple thereof and shall mature in consecutive annual installments as provided in the Ordinance.

This bond shall be registered on the books of the County to be kept for that purpose by the Bond Registrar at its principal office. This bond shall be transferable only upon such books at such office by the registered owner or by its duly authorized officer or attorney, but this Bond will not be transferred unless DTC determines to discontinue providing its services as a securities depository or directs that the Bonds be reregistered in a different name, or unless DTC is removed as the depository for the Bonds. This bond, upon surrender hereof at the principal office of the Bond Registrar with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner hereof or his duly authorized attorney, may, at the option of the registered owner hereof, be exchanged for an equal aggregate principal amount of Bonds of authorized denominations and of the same form and tenor as this bond. For every such exchange or transfer of Bonds, the County or the Bond Registrar shall make a charge for any tax or other governmental charge required to be paid with respect to such exchange or transfer. Such charge shall be paid by the registered owner requesting such exchange or transfer as a condition precedent to the exercise of such privilege. The Bond Registrar shall not be obligated to make any such exchange or transfer of Bonds during the 15 days next preceding an interest payment date on the Bonds, or in case of any proposed redemption of Bonds, during the 15 days next preceding the date of the publication of notice of such redemption. The Bond Registrar shall not be required to make any transfer or exchange of any Bonds called for redemption.

The County and the Bond Registrar may deem and treat the person in whose name this bond is registered as the absolute owner hereof for all purposes; and neither the County nor the Bond Registrar shall be affected by any notice to the contrary.

Certain of the Bonds are subject to redemption prior to maturity as follows:

TO BE INSERTED IF ANY OF THE BONDS ARE TERM BONDS:

[The Bonds maturing on [insert maturity date(s) of Term Bonds] (the "Term Bonds") shall be subject to mandatory sinking fund redemption by the County at a redemption price equal to 100% of the principal amount thereof, on the dates and in the principal amounts set forth below:

Bonds Maturing February 15,

| | |
|------------------------|--------------------|
| | Mandatory |
| | Sinking Fund |
| <u>Redemption Date</u> | <u>Installment</u> |

[Repeat table for each Term Bond.]

The Bonds maturing on or after February 15, 2013, shall be subject to redemption prior to their respective maturities, at the option of the County, on or at any time after January 1, 2013, as a whole or in part, but only upon payment of the applicable redemption price set forth in the following schedule, expressed as a percentage of the principal amount thereof, together with accrued interest to the date fixed for redemption at the rate or rates stated in the Bonds to be redeemed:

| <u>Redemption Dates</u> | <u>Redemption Prices</u> |
|--------------------------------------|------------------------------|
| January 1, 2013 to December 31, 2013 | 101% |
| January 1, 2014 and thereafter | 100% |

If less than all of the outstanding Bonds shall be called for optional redemption, the County shall choose the maturities of the Bonds to be redeemed and the principal amount of each such maturity to be redeemed, in its sole discretion. If less than all of the Bonds of any one maturity shall be called for redemption, then the particular Bonds of such maturity, or portions of such Bonds, to be redeemed shall be chosen by The Depository Trust Company ("DTC") in accordance with its normal and customary procedures (so long as the Bonds are in book-entry form), or by the Bond Registrar, by lot (if the book-entry system has been discontinued) [; and for an optional redemption, if such maturity consists of Term Bonds, the County shall choose the mandatory sinking fund installments of such Term Bonds to be reduced and the amount of such reduction, in its sole discretion]. The Bonds shall be redeemed only in integral multiples of \$5,000.

Notice of any redemption of the Bonds, either in whole or in part, shall be given by the County not less than 30 days nor more than 45 days prior to the date fixed for redemption (the "Redemption Date") by first-class mail to the registered owners of the Bonds to be redeemed (in whole or in part) and otherwise as provided in the Ordinance, unless such notice shall be waived in writing by the registered owners of the Bonds so called for redemption, and such redemption shall be made in all respects in the manner and upon the terms and conditions provided in the Ordinance. Notwithstanding the foregoing, so long as all of the Bonds are registered in the name of Cede & Co., as nominee for DTC, such notice shall be given by a secure means (e.g. legible facsimile transmission, registered or certified mail or overnight express delivery) in a timely manner designed to assure that such notice is in DTC'S possession no later than the close of business on the business day before such thirtieth day. On the Redemption Date, notice having been mailed or waived, and moneys for the payment of the principal amount of the Bonds (or portions thereof) plus accrued interest being held by the Bond Registrar, the Bonds (or such portions thereof) so called for redemption shall become due and payable at the redemption price provided for redemption of such Bonds or such portion thereof on the Redemption Date, interest on such Bonds or such portion thereof so called for redemption shall cease to accrue on the Redemption Date and the registered owners of any such Bonds or of any portion thereof so called for redemption shall have no rights in respect thereto except to receive payment from such moneys held by the Bond Registrar of the redemption price thereof, plus accrued interest thereon to the Redemption Date. If a portion of any bond shall be called for redemption, a new bond in principal amount equal to the unredeemed portion thereof will be issued to the registered owner upon the surrender thereof or, so long as Cede & Co. is the registered owner of all of the Bonds, DTC may make an appropriate notation on this Bond indicating the date and amounts of such reduction in principal and notify the County in writing of such action. For all purposes, the principal amount of this bond outstanding at any time shall be equal to the lesser of (A) the Principal Amount shown on the fact hereof and (B) such Principal Amount reduced by the principal amount of any partial redemption of this bond following which DTC has elected not to surrender this bond in accordance with the preceding paragraph. The failure of DTC to note the principal amount of any partial redemption on the Payment Grid attached hereto, or any inaccuracy therein, shall not affect the payment obligation of the County hereunder. THEREFORE, IT CANNOT BE DETERMINED

FROM THE FACE OF THIS BOND WHETHER A PART OF THE PRINCIPAL OF THIS BOND HAS BEEN PAID.

No covenant or agreement contained in this bond shall be deemed to be a covenant or agreement of any officer, agent or employee of the County in his or her individual capacity, and neither the members of the County Council of Howard County nor any official executing this bond shall be liable personally on this bond or be subject to any personal liability or accountability by reason of the issuance of this bond.

It is hereby certified and recited that each and every act, condition and thing required to exist, to be done, to have happened and to be performed precedent to and in the issuance of this bond, does exist, has been done, has happened, and has been performed in full and strict compliance with the Constitution and laws of the State of Maryland and the acts and ordinances of Howard County, Maryland, and that the issue of Bonds of which this is one, together with all other indebtedness of Howard County, Maryland, is within every debt and other limit prescribed by the Constitution and laws of the State of Maryland and the Charter of Howard County.

In any case where any date of payment of principal of or interest on this bond, or the date fixed for any redemption of this bond, is not a Business Day (hereinafter defined), then payment of such principal or interest need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of payment or the date fixed for redemption. A "Business Day" is any day other than a day on which banks located in the State of Maryland are required or authorized by law or executive order to close for business or on which the New York Stock Exchange is closed.

The full faith and credit of Howard County, Maryland, are hereby irrevocably pledged to the payment of the principal of this bond and of the interest to accrue hereon.

This bond shall not be valid or become obligatory for any purpose until this bond shall have been authenticated by the execution by the Bond Registrar, or its successor as Bond Registrar, of the Certificate of Authentication inscribed hereon.

[SIGNATURE APPEARS ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, HOWARD COUNTY, MARYLAND, has caused this bond to be signed by its County Executive by his manual or facsimile signature and by its Director of Finance by her manual or facsimile signature and has also caused its corporate seal to be hereunto affixed and attested by the manual or facsimile signature of its Chief Administrative Officer, all as of the Date of Issue set forth above.

HOWARD COUNTY, MARYLAND

[Corporate Seal]

By: _____
County Executive

By: _____
Director of Finance

ATTEST:

Chief Administrative Officer

CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds of the issue described in the Ordinance referred to herein.

Date of Registration
and Authentication:

Director of Finance,
acting as Bond Registrar

PAYMENT GRID

[illegible]

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells,
assigns and transfers unto _____

(please insert name and address of the assignee)

(Tax Identification or Social Security No. _____) the within bond, and hereby irrevocably constitutes
and appoints _____ attorney to transfer the within
bond on the books kept for registration thereof, with full power of substitution in the premises.

Date: _____

Signature guaranteed:

NOTICE: Signature(s) must be guaranteed by a
member firm of STAMP, SEMP or MSP
signature guaranty medallion program.

NOTICE: The signature on this Assignment must
correspond with the name of the registered owner
as it appears on the face of the within bond in
every particular, without alteration or enlargement
or any change whatever.

Exhibit B

Form of Metropolitan District Bond

No. ____

\$_____

UNITED STATES OF AMERICA
STATE OF MARYLAND
HOWARD COUNTY, MARYLAND
METROPOLITAN DISTRICT BOND
2005 SERIES A

| <u>Interest Rate</u> | <u>Date of Issue</u> | <u>Maturity Date</u> | <u>CUSIP</u> |
|----------------------|----------------------|----------------------|--------------|
| _____% | January 1, 2005 | February 15, ____ | _____ |

Registered Owner: CEDE & CO.

Principal Amount:

HOWARD COUNTY, MARYLAND, a body politic and corporate, organized and existing under the Constitution and laws of the State of Maryland (the "County"), for value received, hereby promises to pay to the Registered Owner of this bond as set forth above, or registered assigns, the Principal Amount shown hereon on the Maturity Date shown hereon (or earlier as provided herein) and to pay interest on such Principal Amount from and including the interest payment date next preceding the date of registration and authentication of this bond, unless this bond is registered and authenticated as of an interest payment date, in which case it shall bear interest from such interest payment date, or unless this bond is registered and authenticated prior to August 15, 2005, in which event this bond shall bear interest from January 1, 2005, or unless, as shown by the records of the Bond Registrar (hereinafter defined), interest on this bond shall be in default, in which event this bond shall bear interest from the date on which interest was last paid on this bond, at the Interest Rate per annum shown hereon, payable August 15, 2005, and semiannually thereafter on each February 15 and August 15 until maturity or earlier redemption.

Both the principal of and interest and premium, if any, on this bond are payable in lawful money of the United States of America, at the time of payment. Payment of the principal of and premium, if any, on this bond shall be made upon presentation and surrender hereof at the principal office of the Director of Finance of the County, or his successor as bond registrar (the "Bond Registrar"). Payment of interest on this bond shall be made by the Bond Registrar on each interest payment date to the person appearing on the registration books of the County maintained by the Bond Registrar as the registered owner hereof, by check or draft mailed to such registered owner at his or her address as it appears on such registration books.

This bond is one of an issue of bonds of the County in the aggregate principal amount of \$4,000,000 all dated as of January 1, 2005, and known as "Howard County, Maryland Metropolitan District Bonds, 2005 Series A" (the "Bonds").

The Bonds are issued pursuant to the authority of Council Bill No. 19, enacted during the 2001 Legislative Session, Council Bill No. 26, enacted during the 2002 Legislative Session, Council Bill No. 30, enacted during the 2003 Legislative Session, and Council Bill No. 21, enacted during the 2004 Legislative Session, and in accordance with proper proceedings duly had and taken by the County Council of Howard County, particularly Council Bill No. 73-2004, enacted and effective on December __, 2004 (the "Ordinance").

The Bonds shall be issued as fully registered bonds without coupons in denominations of \$5,000 or any integral multiple thereof and shall mature in consecutive annual installments as provided in the Ordinance.

This Bond shall be registered on the books of the County to be kept for that purpose by the Bond Registrar at its principal office. This bond shall be transferable only upon such books at such office by the registered owner or by its duly authorized officer or attorney, but this Bond will not be transferred unless DTC determines to discontinue providing its services as a securities depository or directs that the Bonds be reregistered in a different name, or unless DTC is removed as the depository for the Bonds. This bond, upon surrender hereof at the principal office of the Bond Registrar with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner hereof or his duly authorized attorney, may, at the option of the registered owner hereof, be exchanged for an equal aggregate principal amount of Bonds of authorized denominations and of the same form and tenor as this bond. For every such exchange or transfer of Bonds, the County or the Bond Registrar shall make a charge for any tax or other governmental charge required to be paid with respect to such exchange or transfer. Such charge shall be paid by the registered owner requesting such exchange or transfer as a condition precedent to the exercise of such privilege. The Bond Registrar shall not be obligated to make any such exchange or transfer of Bonds during the 15 days next preceding an interest payment date on the Bonds, or in case of any proposed redemption of Bonds, during the 15 days next preceding the date of the publication of notice of such redemption. The Bond Registrar shall not be required to make any transfer or exchange of any Bonds called for redemption.

The County and the Bond Registrar may deem and treat the person in whose name this bond is registered as the absolute owner hereof for all purposes; and neither the County nor the Bond Registrar shall be affected by any notice to the contrary.

Certain of the Bonds are subject to redemption prior to maturity as follows:

TO BE INSERTED IF ANY OF THE BONDS ARE TERM BONDS:

[The Bonds maturing on [insert maturity date(s) of Term Bonds] (the "Term Bonds") shall be subject to mandatory sinking fund redemption by the County at a redemption price equal to 100% of the principal amount thereof, on the dates and in the principal amounts set forth below:

Bonds Maturing February 15.

| <u>Redemption Date</u> | <u>Mandatory Sinking Fund Installment</u> |
|------------------------|---|
|------------------------|---|

[Repeat table for each Term Bond.]

The Bonds maturing on or after February 15, 2014, shall be subject to redemption prior to their respective maturities, at the option of the County, on or at any time after January 1, 2014, as a whole or in part, but only upon payment of the applicable redemption price set forth in the following schedule, expressed as a percentage of the principal amount thereof, together with accrued interest to the date fixed for redemption at the rate or rates stated in the Bonds to be redeemed:

| <u>Redemption Dates</u> | <u>Redemption Prices</u> |
|--------------------------------------|------------------------------|
| January 1, 2014 to December 31, 2014 | 101% |
| January 1, 2015 and thereafter | 100% |

If less than all of the outstanding Bonds shall be called for optional redemption, the County shall choose the maturities of the Bonds to be redeemed and the principal amount of each such maturity to be redeemed, in its sole discretion. If less than all of the Bonds of any one maturity shall be called for redemption, then the particular Bonds of such maturity, or portions of such Bonds, to be redeemed shall be chosen by The Depository Trust Company ("DTC") in accordance with its normal and customary procedures (so long as the Bonds are in book-entry form), or by the Bond Registrar, by lot (if the book-entry system has been discontinued) [; and for an optional redemption, if such maturity consists of Term Bonds, the County shall choose the mandatory sinking fund installments of such Term Bonds to be reduced and the amount of such reduction, in its sole discretion]. The Bonds shall be redeemed only in integral multiples of \$5,000.

Notice of any redemption of the Bonds, either in whole or in part, shall be given by the County not less than 30 days nor more than 45 days prior to the date fixed for redemption (the "Redemption Date") by first-class mail to the registered owners of the Bonds to be redeemed (in whole or in part) and otherwise as provided in the Ordinance, unless such notice shall be waived in writing by the registered owners of the Bonds so called for redemption, and such redemption shall be made in all respects in the manner and upon the terms and conditions provided in the Ordinance. Notwithstanding the foregoing, so long as all of the Bonds are registered in the name of Cede & Co., as nominee for DTC, such notice shall be given by a secure means (e.g. legible facsimile transmission, registered or certified mail or overnight express delivery) in a timely manner designed to assure that such notice is in DTC's possession no later than the close of business on the business day before such thirtieth day. On the Redemption Date, notice having been mailed or waived, and moneys for the payment of the redemption price plus accrued interest being held by the Bond Registrar, the Bonds (or portions thereof) so called for redemption shall become due and payable at the redemption price provided for redemption of such Bonds or such portion thereof on the Redemption Date, interest on such Bonds or such portion thereof so called for redemption shall cease to accrue on the Redemption Date and the registered owners of any such Bonds or of any portion thereof so called for redemption shall have no rights in respect thereto except to receive payment from such moneys held by the Bond Registrar of the redemption price thereof, plus accrued interest thereon to the Redemption Date. If a portion of any bond shall be called for redemption, a new bond in principal amount equal to the unredeemed

portion thereof will be issued to the registered owner upon the surrender thereof or, so long as Cede & Co. is the registered owner of all of the Bonds, DTC may make an appropriate notation on this Bond indicating the date and amounts of such reduction in principal and notify the County in writing of such action. For all purposes, the principal amount of this bond outstanding at any time shall be equal to the lesser of (A) the Principal Amount shown on the fact hereof and (B) such Principal Amount reduced by the principal amount of any partial redemption of this bond following which DTC has elected not to surrender this bond in accordance with the preceding paragraph. The failure of DTC to note the principal amount of any partial redemption on the Payment Grid attached hereto, or any inaccuracy therein, shall not affect the payment obligation of the County hereunder. THEREFORE, IT CANNOT BE DETERMINED FROM THE FACE OF THIS BOND WHETHER A PART OF THE PRINCIPAL OF THIS BOND HAS BEEN PAID.

No covenant or agreement contained in this bond shall be deemed to be a covenant or agreement of any officer, agent or employee of the County in his or her individual capacity, and neither the members of the County Council of Howard County nor any official executing this bond shall be liable personally on this bond or be subject to any personal liability or accountability by reason of the issuance of this bond.

It is hereby certified and recited that each and every act, condition and thing required to exist, to be done, to have happened and to be performed precedent to and in the issuance of this bond, does exist, has been done, has happened, and has been performed in full and strict compliance with the Constitution and laws of the State of Maryland and the acts and ordinances of Howard County, Maryland, and that the issue of Bonds of which this is one, together with all other indebtedness of Howard County, Maryland, is within every debt and other limit prescribed by the Constitution and laws of the State of Maryland and the Charter of Howard County.

In any case where any date of payment of principal of or interest on this bond, or the date fixed for any redemption of this bond, is not a Business Day (hereinafter defined), then payment of such principal or interest need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of payment or the date fixed for redemption. A "Business Day" is any day other than a day on which banks located in the State of Maryland are required or authorized by law or executive order to close for business or on which the New York Stock Exchange is closed.

The full faith and credit of Howard County, Maryland, are hereby irrevocably pledged to the payment of the principal of this bond and of the interest to accrue hereon.

This bond shall not be valid or become obligatory for any purpose until this bond shall have been authenticated by the execution by the Bond Registrar, or its successor as Bond Registrar, of the Certificate of Authentication inscribed hereon.

[SIGNATURE APPEARS ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, HOWARD COUNTY, MARYLAND, has caused this bond to be signed by its County Executive by his manual or facsimile signature and by its Director of Finance by her manual or facsimile signature and has also caused its corporate seal to be hereunto affixed and attested by the manual or facsimile signature of its Chief Administrative Officer, all as of the Date of Issue set forth above.

HOWARD COUNTY, MARYLAND

[Corporate Seal]

By: _____
County Executive

By: _____
Director of Finance

ATTEST:

Chief Administrative Officer

CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds of the issue described in the Ordinance referred to herein.

Date of Registration
and Authentication:

Director of Finance,
acting as Bond Registrar

PAYMENT GRID

[illegible]

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

_____ (please insert name and address of the assignee)

_____ (Tax Identification or

Social Security No. _____) the within bond, and hereby irrevocably constitutes and appoints

_____ attorney to transfer the within bond on the books kept for

registration thereof, with full power of substitution in the premises.

Date: _____

Signature guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of STAMP, SEMP or MSP signature guaranty medallion program.

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within bond in every particular, without alteration or enlargement or any change whatever.

Form of Notice of Sale

\$60,000,000
Howard County, Maryland
Consolidated Public Improvement Bonds,
2005 Series A

\$4,000,000
Howard County, Maryland
Metropolitan District Bonds,
2005 Series A

Sealed Bids or Electronic Bids via *PARITY* will be received for each of the \$60,000,000 Howard County, Maryland Consolidated Public Improvement Bonds, 2005 Series A (the "Public Improvement Bonds") and the \$4,000,000 Howard County, Maryland Metropolitan District Bonds, 2005 Series A (the "Metropolitan District Bonds") by the Director of Finance of Howard County, Maryland (the "County") at her office on the Second Floor of the George Howard Building, 3430 Court House Drive, Ellicott City, Maryland, until 11:00 o'clock a.m. (E.S.T.) on Wednesday,

January 5, 2005.

Dated Date and Interest Payment Dates. The Public Improvement Bonds and the Metropolitan District Bonds (hereinafter collectively called the "Bonds") will each be dated as of January 1, 2005. Interest on the Bonds will be payable on August 15, 2005 and semiannually thereafter on February 15 and August 15 until maturity.

Book-Entry Form. The Bonds will be issued in book-entry form by issuing a single bond for each maturity registered in the name of Cede & Co. as nominee for The Depository Trust Company or its successor ("DTC") and immobilized in its custody. Principal of and interest on the Bonds will be payable to DTC or its nominee as registered owners of the Bonds.

Preliminary Official Statement. The Preliminary Official Statement dated December __, 2004 concerning the Bonds (the "Preliminary Official Statement") may be obtained online at www.i-dealprospectus.com. The Preliminary Official Statement is in a form "deemed final" by the County for purposes of SEC Rule 15(c)2-12 (the "Rule") but is subject to revision, amendment and completion in the final Official Statement (hereinafter defined).

Principal Payment Dates. The Public Improvement Bonds will be issued in serial form or, if subject to mandatory sinking fund redemption, in term form, or in a combination of such forms, as designated by the successful bidder for the Public Improvement Bonds in its proposal, as described below. The principal of the Public Improvement Bonds shall be payable in 20 consecutive annual installments on February 15 in the following years and in the following amounts:

Public Improvement Bonds Serial and/or Sinking Fund Maturities

| Year of Principal Payment | Annual Amount Payable | Year of Principal Payment | Annual Amount Payable |
|--|--------------------------------------|--|--------------------------------------|
| 2006 | \$2,200,000 | 2016 | \$2,900,000 |
| 2007 | 2,400,000 | 2017 | 2,900,000 |
| 2008 | 2,500,000 | 2018 | 3,000,000 |
| 2009 | 2,500,000 | 2019 | 3,100,000 |
| 2010 | 2,600,000 | 2020 | 3,300,000 |
| 2011 | 2,700,000 | 2021 | 3,300,000 |
| 2012 | 2,800,000 | 2022 | 3,500,000 |
| 2013 | 2,800,000 | 2023 | 3,800,000 |
| 2014 | 2,800,000 | 2024 | 3,900,000 |
| 2015 | 2,900,000 | 2025 | 4,100,000 |

The Metropolitan District Bonds will be issued in serial form or, if subject to mandatory sinking fund redemption, in term form, or in a combination of such forms, as designated by the successful bidder for the Metropolitan District Bonds in its proposal, as described below. The principal of the Metropolitan District Bonds shall be payable in 29 consecutive annual installments on February 15 in the following years and in the following amounts:

Metropolitan District Bonds Serial and/or Sinking Fund Maturities

| Year of Principal Payment | Annual Amount Payable | Year of Principal Payment | Annual Amount Payable |
|--|--------------------------------------|--|--------------------------------------|
| 2006 | \$85,000 | 2021 | \$130,000 |
| 2007 | 85,000 | 2022 | 140,000 |
| 2008 | 90,000 | 2023 | 145,000 |
| 2009 | 90,000 | 2024 | 150,000 |
| 2010 | 90,000 | 2025 | 155,000 |
| 2011 | 95,000 | 2026 | 160,000 |
| 2012 | 95,000 | 2027 | 170,000 |
| 2013 | 100,000 | 2028 | 175,000 |
| 2014 | 105,000 | 2029 | 185,000 |
| 2015 | 105,000 | 2030 | 190,000 |
| 2016 | 110,000 | 2031 | 200,000 |
| 2017 | 115,000 | 2032 | 210,000 |
| 2018 | 120,000 | 2033 | 220,000 |
| 2019 | 125,000 | 2034 | 230,000 |
| 2020 | 130,000 | | |

General Obligations. The Bonds of each series will be the unconditional general obligations of Howard County, Maryland and will be issued upon its full faith and credit, which will be irrevocably pledged to the payment of the principal of and interest on all of the Bonds as the same become due.

Authority for Issuance. The Public Improvement Bonds are being issued pursuant to certain Council Bills of the County Council of Howard County (the "Council") (specifically, Council Bills Council Bills Nos. 16, 18, 19 and 27, enacted during the 1998 Legislative Session, Council Bills Nos. 19, 20, 22, 32, 33, 53 and 56, enacted during the 1999 Legislative Session, Council Bills Nos. 15, 17, 27 and 29, enacted during the 2000 Legislative Session, Council Bills Nos. 18, 21, 26, 27 and 58, enacted during the 2001 Legislative Session, Council Bills Nos. 24, 25 and 35, enacted during the 2002 Legislative Session, Council Bills Nos. 28, 29, 39, 40, 55 and 56 enacted during the 2003 Legislative Session, and Council Bills Nos. 18, 19, 20, 31 and 32 enacted during the 2004 Legislative Session), and in accordance with Council Bill No. 22-2002, enacted during the 2002 Legislative Session, as supplemented, and Council Bill No. 73-2004, enacted during the 2004 Legislative Session (the "Ordinance").

The Metropolitan District Bonds are being issued pursuant to certain Council Bills of the County Council (specifically, Council Bill No. 19, enacted during the 2001 Legislative Session, Council Bill No. 26, enacted during the 2002 Legislative Session, Council Bill No. 30, enacted during the 2003 Legislative Session, and Council Bill No. 21, enacted during the 2004 Legislative Session), and in accordance with the Ordinance.

The Bonds of each series are issued for the lawful public purposes described in the herein above-listed Council Bills and particularly in the Ordinance.

Mandatory Sinking Fund Redemption. The successful bidder for each series of the Bonds may designate term bonds for such issue in accordance with the section of this Notice of Sale captioned "Right to Specify Term Bonds. " Term Public Improvement Bonds and term Metropolitan District Bonds (hereinafter sometimes collectively called the "Term Bonds," and each term Public Improvement Bond and term Metropolitan District Bond being hereinafter called a "Term Bond") shall be subject to mandatory sinking fund redemption by the County at a redemption price equal to 100% of the principal amount thereof, together with accrued interest to the date fixed for redemption at the rate stated in the Term Bonds to be redeemed. Each such mandatory sinking fund redemption shall be made on the date on which a sequential maturity included as part of a Term Bond would otherwise have been payable and in the amount of the maturing principal installment for such series of Bonds listed above for such principal payment date.

Optional Redemption. Certain of the Bonds of each series will be subject to optional redemption prior to maturity as follows:

The Public Improvement Bonds maturing on or after February 15, 2013, shall each be subject to redemption prior to their respective maturities, at the option of the County, on or at any time after January 1, 2013, in whole or in part, but only upon payment of the applicable redemption price set forth in the following schedule, expressed as a percentage of the principal amount thereof, together with accrued interest to the date fixed for redemption at the rate or rates stated in the Public Improvement Bonds to be redeemed:

Public Improvement Bonds Optional Redemption

| Redemption Dates | Redemption Prices |
|--------------------------------------|--------------------------|
| January 1, 2013 to December 31, 2013 | 101% |
| January 1, 2014 and thereafter | 100% |

The Metropolitan District Bonds maturing on or after February 15, 2014, shall be subject to redemption prior to their respective maturities, at the option of the County, on or at any time after January 1, 2014, in whole or in part, but only upon payment of the applicable redemption price set forth in the following schedule, expressed as a percentage of the principal amount thereof, together with accrued interest to the date fixed for redemption at the rate or rates stated in the Metropolitan District Bonds to be redeemed:

Metropolitan District Bonds Optional Redemption

| Redemption Dates | Redemption Prices |
|--------------------------------------|--------------------------|
| January 1, 2014 to December 31, 2014 | 101% |
| January 1, 2015 and thereafter | 100% |

If less than all of the outstanding Public Improvement Bonds or Metropolitan District Bonds shall be called for redemption, the maturities of the Public Improvement Bonds or Metropolitan District Bonds shall be chosen as described in the Preliminary Official Statement.

Notice of and Procedure for Redemption. The procedures for redemption of the Bonds, including the requirements for giving notice of such redemption, are described in the Preliminary Official Statement and are incorporated herein by reference.

Bidding Constraints and Terms of Sale. THE SERIES OF PUBLIC IMPROVEMENT BONDS AND THE SERIES OF METROPOLITAN DISTRICT BONDS SHALL BE SEPARATELY AWARDED, AND MUST BE SEPARATELY BID FOR. For each series of the Bonds, each bidder shall submit one bid via **PARITY** (for electronic bids) or on the required proposal (for sealed written bids), at a price of not less than 98.5% of par, based on the aggregate principal amount of the Bonds of the issue bid for, on an “all-or-none” basis. Bidders shall state the interest rate or rates upon which their bids are based, which must be in multiples of 1/8 or 1/20 of 1%. For each series, all of the Bonds of each maturity must bear interest at the same rate, a zero rate may not be named for any maturity, and the rate named for the Bonds of any one maturity may not be less than the rate named for the Bonds of an earlier maturity. Bidders are requested to specify the true interest cost (computed in accordance with the terms of this Notice of Sale) in their proposals for the Bonds of the series bid for. A proposal for the purchase of either the Public Improvement Bonds or the Metropolitan District Bonds at a price of less than 98.5 percent of par, or a proposal for either series that specifies split or supplemental interest rates, will not be considered. The County will also not consider and will reject any proposal for the purchase of less than all of the Bonds of the series for which the proposal is made. All bids must be unconditional. In addition to the price bid, the successful bidder for each series must pay accrued interest from January 1, 2005 to the date of delivery of the series of Bonds bid for.

NOTE: The County may revise this Notice of Sale by written notice available to prospective bidders by publishing notice of any revisions on TM3 News Service not later than 1:00 p.m. (E.S.T.) on the last

business day prior to any announced date for receipt of proposals for the Bonds of either issue. Any bid submitted shall be in accordance with, and incorporate by reference, this Notice of Sale, including any revisions made pursuant to this paragraph.

By submitting a proposal for either series of the Bonds, the bidder agrees, if it is the successful bidder for the bonds of such series, (1) to provide full and complete pricing information with respect to the Bonds of such series to the County in a timely manner so that the County may fulfill its obligation relating to the delivery of the Official Statement to the purchasers of the Bonds within seven business days following the award, including, without limitation, the offering price(s), interest rate(s), selling compensation, delivery dates and other similar information; (2) to comply with the requirements of the Rule, applicable federal and state securities laws and the applicable rules of the Municipal Securities Rulemaking Board in connection with the offer and sale of the Bonds; (3) to furnish to the County before the delivery of the Bonds of such series such information as shall be necessary to enable the County to determine the "issue price" of the Bonds of such series in accordance with the Internal Revenue Code of 1986, as amended; (4) within three business days after the final Official Statement becomes available, to cause copies thereof to be filed with one or more "nationally recognized municipal securities information repositories," as such term is defined in the Rule; and (5) to certify at the time of the issuance of the Bonds of such series that the final Official Statement is in form satisfactory to it.

Right to Specify Term Bonds . Each bidder may designate in its proposal any two or more sequential maturities of the Bonds of either series as mandatory sinking fund installments due on a Term Bond maturing on the maturity date of the last maturity of the sequence. Each such Term Bond shall be issued in a principal amount equal to the sum of the principal installments in such sequence. The bidder shall name a single rate of interest to be borne by each such Term Bond. Each bidder may designate more than one Term Bond for each series of Bonds.

Electronic Bids . Electronic bids for each series will be received via **PARITY** pursuant to this Notice of Sale the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**, potential bidders may contact **PARITY** at (212) 849-5021.

Each prospective electronic bidder shall be solely responsible to submit its bid or bids via **PARITY** as described above. Each prospective electronic bidder for either series shall be solely responsible to make necessary arrangements to access **PARITY** for the purpose of submitting its bid or bids in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the County nor **PARITY** shall have any duty or obligation to provide or assure access to **PARITY** to any prospective bidder, and neither the County nor **PARITY** shall be responsible for proper operation of, or have any liability for delays or interruptions of, or any damages caused by, **PARITY**. The County is using **PARITY** as a communication mechanism, and not as the County's agent, to conduct the electronic bidding for the Bonds of each series. The County is not bound by any advice and determination of **PARITY** to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the bid parameters set forth herein. All costs and expenses incurred by prospective bidders in connection with their submissions of bids via **PARITY** are the sole responsibility of the bidders; and the County is not responsible, directly or indirectly, for any of such costs or expenses. If a prospective bidder encounters any difficulty in submitting, modifying or withdrawing a bid of the Bonds of either series, it should telephone **PARITY** at (212) 849-5021 and notify the County's Department of Finance by facsimile at (410) 313-4433 and by telephone at (410) 313-2195.

Electronic bids must be submitted for the purchase of each series of the Bonds (all or none) via **PARITY**. All bids will be communicated electronically to the County at 11:00 a.m., (E.S.T.), on January 5,

2005. Prior to that time, a prospective bidder for the Bonds of either series may (1) submit the proposed terms of its bid via **PARITY**, (2) modify the proposed terms of its bid for such series, in which event the proposed terms as last modified will (unless the bid is withdrawn as described herein) constitute its bid for the Bonds of such series, or (3) withdraw its proposed bid for the Bonds of such series. Once the bids are communicated electronically via **PARITY** to the County, each bid for the Bonds of a series will constitute an irrevocable offer to purchase the Bonds of that series on the terms therein provided. *For purposes of the electronic bidding process and the time for submitting sealed proposals, the time as maintained on **PARITY** shall constitute the official time.*

Written Bids . Bids for the Public Improvement Bonds and the Metropolitan District Bonds will also be accepted in written form on, respectively, the form of proposal for Public Improvement Bonds or the form of proposal for Metropolitan District Bonds in the Preliminary Official Statement. Each written bid must be enclosed in a sealed envelope addressed to the Director of Finance, Howard County, Maryland, George Howard Building, 3430 Court House Drive, 2nd Floor, Ellicott City, Maryland 21043.

Good Faith Deposit. Each proposal shall be accompanied by either a certified check, or bank treasurer's check, or bank cashier's check, or official bank check on, or of, a responsible banking institution, or a financial surety bond as described below, payable to the order of the Director of Finance of Howard County, Maryland (the "Director of Finance") in the amount of \$1,200,000 (if the proposal is for the Public Improvement Bonds) or \$80,000 (if the proposal is for the Metropolitan District Bonds). If a check is submitted by the successful bidder for either series, such check will be deposited and collected, and the checks and unused portions of any deposited checks of the unsuccessful bidders will be returned promptly.

In lieu of submitting a check, a bidder may submit a financial surety bond from an insurance company licensed to issue such a bond in the State of Maryland, and such bond must be submitted to the Director of Finance of the County prior to 11:00 a.m. (E.S.T.) on the date of sale. The financial surety bond must identify each bidder whose good faith deposit is guaranteed by such financial surety bond. If the Public Improvement Bonds or the Metropolitan District Bonds are awarded to a bidder utilizing a financial surety bond, then the successful bidder for such series is required to submit its good faith deposit to the Director of Finance of the County not later than 12:00 noon (E.S.T.) on the next business day following the award either in the form of a check of the type described in the preceding paragraph or by wire transfer (payable in federal funds or clearing house funds) to the County's account at Manufacturers and Traders Trust Company in accordance with the County's instructions to such successful bidder. If such good faith deposit is not received by that time, the financial surety bond may be drawn by the County to satisfy the good faith deposit requirement.

The good faith deposit of the successful bidder for each series will be retained by the County to be applied in part payment for the Bonds bid for, and no interest will be allowed upon the amount thereof. However, in the event such successful bidder for either series shall fail to comply with the terms of its proposal, the good faith deposit for that series will be retained as and for full liquidated damages.

Award of Bonds . Proposals will be opened promptly after 11:00 o'clock a.m. (E.S.T.), in Ellicott City, Maryland on January 5, 2005. The Bonds of each series will be awarded by the County Council by resolution to the bidder whose proposal for that series provides the lowest true interest cost to the County within the guidelines of this Notice of Sale. The lowest true interest cost of each proposal for each series shall be determined in accordance with the true interest cost (TIC) method by doubling the semiannual interest rate (compounded semiannually) necessary to discount the debt service payments from the payment dates to the dated date of the Bonds and to the price bid, excluding interest accrued on the date of delivery. If two or more responsible bidders have made proposals for the Bonds of a series, each of which

represents the lowest true interest cost to the County (computed in accordance with the terms of this Notice of Sale), then the Bonds of such series may be awarded, with their consent, in a ratable portion among such bidders; or the County may, in its sole discretion, determine to which of such bidders the Bonds of such series will be awarded. The Council will meet for adoption of the resolution at the George Howard Building, 3430 Court House Drive, Ellicott City, Maryland, promptly after the acceptance of the bids at the office of the Director of Finance.

The successful bidder for each series shall make a bona fide public offering of the Bonds of such series at the initial reoffering prices and shall provide the related certification described under "Delivery of Bonds" below.

The County reserves the right to postpone, from time to time, the date established for the receipt of proposals for the Bonds of either series. Any such postponement will be announced by TM3 News Service by notice given not later than 1:00 p.m. (E.S.T.) on the last business day prior to any announced date for receipt of bids. If any date fixed for the receipt of bids and the sale of the Bonds of either or both series is postponed, any alternative sale date will be announced via TM3 News Service at least 48 hours prior to such alternative sale date. In addition, the County reserves the right, on the date established for the receipt of bids, to reject all bids and establish a subsequent alternative sale date. On any such alternative sale date, any bidder may submit a sealed bid or electronic bid via **PARITY** for the purchase of the Bonds of each series in conformity in all respects with the provisions of this Notice of Sale except for the date of sale and except for the changes announced by TM3 News Service at the time the sale date and time are announced.

Legal Opinion. The issuance of the Bonds of each series will be subject to legal approval by Miles & Stockbridge P.C., Baltimore, Maryland, Bond Counsel, and copies of its opinion for each series will be delivered upon request, without charge, to the successful bidder or bidders for the two issues of the Bonds.

CUSIP Numbers. It is expected that CUSIP identification numbers will be printed on the Bonds of each series, but neither the failure to print any such number on any bond nor any error with respect thereto shall constitute cause for a failure or refusal by a successful bidder to accept delivery of and pay for the Bonds bid for in accordance with the terms of this Notice of Sale.

Delivery of Bonds. The Bonds of each series and executed counterparts of the appropriate approving legal opinion will be delivered on or about January 25, 2005, at the expense of the County, for the account of the successful bidder therefor, to DTC in New York, New York, upon payment of the amount of the successful bid (including any premium), plus accrued interest to the date of delivery, less the deposit theretofore made. (Delivery elsewhere may be made with the consent of the County and at the cost and expense of the successful bidder.) Payment for the Bonds of each series shall be made in federal funds. The Bonds of each series will be issued by means of book-entry system with no physical distribution of bond certificates made to the public. The book-entry system will evidence ownership of the Bonds of each series in the principal amount of \$5,000 or any multiple thereof, with transfer of ownership effected on the records of DTC and its participants. The successful bidder for each series of the Bonds, as a condition to delivery of the Bonds of such series, shall be required to accept the deposit of the bond certificates with DTC, registered in the name of Cede & Co., its partnership nominee.

The successful bidder for the Bonds of each series must, prior to the delivery of such series of Bonds, certify to the County the amount of the initial offering price to the public (excluding bond houses, brokers and other intermediaries) at which a substantial portion (at least 10%) of the Bonds of each maturity of each series have or will be sold.

Closing Documents. The Bonds of each series will be accompanied by the customary closing documents, including a no-litigation certificate, effective as of the date of delivery, stating that there is no litigation pending affecting the validity of any of the Bonds of such series, and a Tax Certificate and Compliance Agreement executed by the Director of Finance. Simultaneously with or before delivery and payment for the Bonds, the successful bidder(s) shall be furnished a certificate or certificates of the County Executive of the County, the Chief Administrative Officer of the County and the Director of Finance to the effect that, to the best of their knowledge and belief, the Official Statement (and any amendment or supplement thereto) as of the date of sale and as of the date of delivery of the Bonds of such series (a) does not contain any untrue statement of a material fact, and (b) does not omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. Such certificates shall further state that between the date of sale and the date of delivery of the Bonds of such series there has been no material adverse change in the financial position or revenues of the County, except as reflected or contemplated in the Official Statement (and any amendment or supplement thereto).

Official Statement. As soon as practicable after the award of each series of the Bonds to the successful bidder therefor on the day of sale, the County will authorize the final Official Statement for the Bonds. By submitting its bid for the Bonds of either series, the successful bidder for such series agrees to provide the County with pricing information and such other information as the County may require in order that the County may provide the successful bidder for such series with a final Official Statement in compliance with the Rule. Whether or not any such information is included in the Official Statement (and any amendment or supplement thereto), such successful bidder shall be responsible to the County and its officials in all respects for the accuracy, fairness and completeness of such information, and for all decisions made with respect to the use or omission of such information in any re-offering of the Bonds, including the presentation or exclusion of any such information in any documents, including the Official Statement. Within seven business days after the award of the Bonds, the successful bidder for the Public Improvement Bonds will also be furnished, without cost, with up to 200 copies of the Official Statement (and any amendment or supplement of the Official Statement thereto), and the successful bidder for the Metropolitan District Bonds will be furnished, without cost, with up to 100 copies of the Official Statement (and any amendment or supplement thereto). Each successful bidder may obtain additional copies of the Official Statement at its own expense.

The County will undertake to provide the successful bidder with further additional information to be included in such Official Statement when, in the opinion of the County or of Bond Counsel, such additional information constitutes a material change to such Official Statement. The County will take such steps as are necessary to arrange for amending and supplementing the Official Statement in connection with the disclosure of such additional information; provided, however, that the County shall have no obligation to provide such additional information after the date which is 25 days after the "end of the underwriting period," as such term is defined in the Rule.

Continuing Disclosure Agreement. In order to assist bidders in complying with the SEC Rule 15c2-12(b)(5), the County will execute and deliver a continuing disclosure agreement on or before the date of issuance of the bonds pursuant to which the County will undertake to provide certain information annually and notices of certain events. A proposed form of this agreement is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement.

Additional Information. The Preliminary Official Statement, the required form of proposal for the Public Improvement Bonds and the Metropolitan District Bonds and copies of this Notice of Sale may be obtained online at www.i-dealprospectus.com or by request from the Department of Finance of the County, 3430 Court House Drive, Ellicott City, Maryland 21043, telephone: (410) 313-2195, fax: (410) 313-4433, e-mail: sgriecz@co.ho.md.us. Information concerning the proposed sale of the Bonds may also be obtained from the County's financial advisor, Evergreen Capital Advisors, Inc., 32 Nassau Street, Princeton, New Jersey 08542, telephone: (609) 279-0068, fax: (609) 279-0065, e-mail: pat@evergreenca.com.

Howard County, Maryland

By: Sharon F. Greisz,
Director of Finance

Form of Proposal for Public Improvement Bonds
January 5, 2005

Howard County, Maryland
George Howard Building
3430 Court House Drive, 2nd Floor
Ellicott City, Maryland 21043
Attention: Director of Finance

Subject to the provisions of and in accordance with the terms of the Notice of Sale relating to the \$60,000,000 Howard County, Maryland Consolidated Public Improvement Bonds, 2005 Series A (the "Bonds") that is incorporated herein by reference and made a part hereof (the "Notice of Sale"), we offer to purchase all but not less than all of the Public Improvement Bonds, which bonds shall be dated as of January 1, 2005 and shall mature or be subject to mandatory sinking fund redemption in the amounts shown below on February 15 in the years shown below and shall bear interest (payable on August 15 and February 15 commencing August 15, 2005) at the rates shown below:

| Year of Principal Payment | Annual Amount Payable | Interest Rate* | Year of Principal Payment | Annual Amount Payable | Interest Rate* | Year of Principal Payment | Annual Amount Payable | Interest Rate* |
|---------------------------------|-----------------------------|-------------------|---------------------------------|-----------------------------|-------------------|---------------------------------|-----------------------------|-------------------|
| 2006 | \$2,200,000 | ___% | 2013 | \$2,800,000 | ___% | 2020 | \$3,300,000 | ___% |
| 2007 | 2,400,000 | ___% | 2014 | 2,800,000 | ___% | 2021 | 3,300,000 | ___% |
| 2008 | 2,500,000 | ___% | 2015 | 2,900,000 | ___% | 2022 | 3,500,000 | ___% |
| 2009 | 2,500,000 | ___% | 2016 | 2,900,000 | ___% | 2023 | 3,800,000 | ___% |
| 2010 | 2,600,000 | ___% | 2017 | 2,900,000 | ___% | 2024 | 3,900,000 | ___% |
| 2011 | 2,700,000 | ___% | 2018 | 3,000,000 | ___% | 2025 | 4,100,000 | ___% |
| 2012 | 2,800,000 | ___% | 2019 | 3,100,000 | ___% | | | |

* If the principal of the Bonds payable on any date is to be a mandatory sinking fund installment on a term Bond, (1) fill in the interest rate only for the maturity date of the term Bond, (2) leave blanks for the interest rates of all prior maturities included as mandatory sinking fund installments for the term Bond and (3) complete the section concerning term Bonds below.

Term Bonds (Optional)

If we are the successful bidder for the Bonds, we hereby designate the following principal payment dates to be maturities of term Public Improvement Bonds having mandatory sinking fund redemptions on the following principal payment dates in the principal amount(s) set forth for such dates in the applicable table above and agree that the principal amount of each such term Bond shall equal the sum of the principal amounts in such sequence:

Term Bond

Maturity Date(s)

Fund Installment Date(s):

February 15, _____
February 15, _____

February 15, _____ to February 15, _____ inclusive
February 15, _____ to February 15, _____ inclusive

We will pay a purchase price of \$_____ for all of the Bonds.

We will also pay accrued interest on the Bonds purchased to the date of delivery and will accept delivery and pay for the Bonds in accordance with the Notice of Sale. If we are the successful bidder for the Bonds, we agree to comply with all of the obligations and requirements of the Notice of Sale. A good faith deposit of \$1,200,000 is enclosed herewith or will be delivered to you prior to 11:00 a.m. (E.S.T.) on January 5, 2005 in the form of a certified check or bank treasurer's check or bank cashier's check or official bank check or financial surety bond payable to the order of the Director of Finance of Howard County, Maryland. The good faith deposit shall be applied in accordance with the Notice of Sale.

(Not a part of this proposal. The following information is requested to expedite and facilitate prompt determination of the best bid. The omission or inaccuracy of this information will not affect the validity of the proposal: The true interest cost of this proposal is _____% as determined in accordance with the method described in the Notice of Sale

Form of Proposal for Metropolitan District Bonds

January 5, 2005

Howard County, Maryland
George Howard Building
3430 Court House Drive, 2nd Floor
Ellicott City, Maryland 21043
Attention: Director of Finance

Subject to the provisions of and in accordance with the terms of the Notice of Sale relating to the \$4,000,000 Howard County, Maryland Metropolitan District Bonds, 2005 Series A (the "Bonds") that is incorporated herein by reference and made a part hereof (the "Notice of Sale"), we offer to purchase all but not less than all of the Bonds, which bonds shall be dated as of January 1, 2005 and shall mature or be subject to mandatory sinking fund redemption in the amounts shown below on February 15 in the years shown below and shall bear interest (payable on August 15 and February 15 commencing August 15, 2005) at the rates shown below:

| Year of Principal Payment | Annual Amount Payable | Interest Rate* | Year of Principal Payment | Annual Amount Payable | Interest Rate* | Year of Principal Payment | Annual Amount Payable | Interest Rate* |
|---------------------------------|-----------------------------|-------------------|---------------------------------|-----------------------------|-------------------|---------------------------------|-----------------------------|-------------------|
| 2006 | \$85,000 | ___% | 2016 | \$110,000 | ___% | 2026 | \$160,000 | ___% |
| 2007 | 85,000 | ___% | 2017 | 115,000 | ___% | 2027 | 170,000 | ___% |
| 2008 | 90,000 | ___% | 2018 | 120,000 | ___% | 2028 | 175,000 | ___% |
| 2009 | 90,000 | ___% | 2019 | 125,000 | ___% | 2029 | 185,000 | ___% |
| 2010 | 90,000 | ___% | 2020 | 130,000 | ___% | 2030 | 190,000 | ___% |
| 2011 | 95,000 | ___% | 2021 | 130,000 | ___% | 2031 | 200,000 | ___% |
| 2012 | 95,000 | ___% | 2022 | 140,000 | ___% | 2032 | 210,000 | ___% |
| 2013 | 100,000 | ___% | 2023 | 145,000 | ___% | 2033 | 220,000 | ___% |
| 2014 | 105,000 | ___% | 2024 | 150,000 | ___% | 2034 | 230,000 | ___% |
| 2015 | 105,000 | ___% | 2025 | 155,000 | ___% | | | |

* If the principal of the Bonds payable on any date is to be a mandatory sinking fund installment on a term Bond, (1) fill in the interest rate only for the maturity date of the term Bond, (2) leave blanks for the interest rates of all prior maturities included as mandatory sinking fund installments for the term Bond and (3) complete the section concerning term Bonds below.

Term Bonds (Optional)

If we are the successful bidder for the Bonds, we hereby designate the following principal payment dates to be maturities of term Bonds having mandatory sinking fund redemptions on the following principal payment dates in the principal amount(s) set forth for such dates in the table above and agree that the principal amount of each such term Bond shall equal the sum of the principal amounts in such sequence:

Term Bond Maturity Date(s)

February 15, _____
February 15, _____

Mandatory Sinking Fund Installment Date(s):

February 15, _____ to February 15, _____ inclusive
February 15, _____ to February 15, _____ inclusive

We will pay a purchase price of \$_____ for all of the Bonds.

We will also pay accrued interest on the to the date of delivery and will accept delivery and pay for each issue of the Bonds purchased in accordance with the Notice of Sale. If we are the successful bidder for the Metropolitan District Bonds, we agree to comply with all of the obligations and requirements of the Notice of Sale. A good faith deposit of \$80,000 is enclosed herewith or will be delivered to you prior to 11:00 a.m. (E.S.T.) on January 5, 2005 in the form of a certified check or bank treasurer's check or bank cashier's check or official bank check or financial surety bond payable to the order of the Director of Finance of Howard County, Maryland. The good faith deposit shall be applied in accordance with the Notice of Sale.

(Not a part of this proposal. The following information is requested to expedite and facilitate prompt determination of the best bid. The omission or inaccuracy of this information will not affect the validity of the proposal: The true interest cost of this proposal is _____% as determined in accordance with the method described in the Notice of Sale.)

Form of Continuing Disclosure Agreement

This Continuing Disclosure Agreement (the "Disclosure Agreement"), is executed and delivered by Howard County, Maryland (the "County") in connection with the issuance of its \$60,000,000 Howard County, Maryland Consolidated Public Improvement Bonds, 2005 Series A and its \$4,000,000 Howard County, Maryland Metropolitan District Bonds, 2005 Series A (the "Bonds"). The County, intending to be legally bound hereby and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby covenant and agree as follows:

Section 1. Purpose of the Disclosure Agreement

This Disclosure Agreement is being executed and delivered by the County for the benefit of the owners and beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5). The County's obligations hereunder shall be limited to those required by written undertaking pursuant to the Rule.

Section 2. Definitions

In addition to the definitions set forth above, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Listed Events" shall mean any of the events listed in Section 4(a) of this Disclosure Agreement.

"NRMSIR" shall mean any nationally recognized municipal securities information repository for purposes of the Rule.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Rule" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"SID" shall mean any public or private depository or entity designated by the State of Maryland as a state information depository for purposes of the Rule.

Section 3. Provision of Annual Financial Information, Operating Data and Audited Information

(a) The County shall provide to each NRMSIR and to the SID, if any, annually, the following financial information and operating data: (1) summary of outstanding general obligation debt and other long-term debt, (2) summary of County revenues and expenditures, (3) assessed values, tax rates, tax levies and collections, (4) budget for current fiscal year and (5) description of material litigation, if any, based on the accountant's report contained in the comprehensive annual financial report, such information and data to be updated as of the end of the preceding fiscal year (except for the information referenced in item (4)) and made available within 275 days after the end of such fiscal year, commencing with the fiscal year ending June 30, 2005.

(b) The County shall provide to each NRMSIR and to the SID, if any, annual audited financial statements for the County, such information to be made available within 275 days after the end of the County's fiscal year, commencing with the fiscal year ending June 30, 2005, unless the audited financial statements are not available on or before such date, in which event said financial statements will be provided promptly when and if available. In the event that audited financial statements are not available within 275 days after the end of the County's fiscal year (commencing with the fiscal year ending June 30, 2005), the County will provide unaudited financial statements within said time period.

(c) The presentation of the financial information referred to in paragraph (a) and in paragraph (b) shall be made in accordance with the same accounting principles as utilized in connection with the presentation of applicable comparable financial information included in the final official statement for the Bonds.

(d) If the County is unable to provide the annual financial information and operating data within the applicable time periods specified in (a) and (b) above, the County shall send in a timely manner a notice of such failure to each NRMSIR or to the Municipal Securities Rulemaking Board, and to the SID, if any.

Section 4. Reporting of Significant Events

(a) This Section 4 shall govern the giving of notices of the occurrence of any of the following events with respect to the Bonds:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions or events affecting the tax-exempt status of the Bonds;
- (vii) modifications to rights of Bondholders;
- (viii) Bond calls;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Bonds; and
- (xi) rating changes.

(b) Whenever the County obtains knowledge of the occurrence of a Listed Event, the County shall as soon as possible determine if such event would constitute material information for owners of Bonds. If the Listed Event constitutes material information for owners of Bonds, the County shall promptly file a

notice of such occurrence with each NRMSIR or the Municipal Securities Rulemaking Board, and with the SID, if any.

Section 5. Termination of Reporting Obligations

The County's obligations under this Disclosure Agreement shall terminate upon the payment in full of all of the Bonds either at their maturity or by early redemption. In addition, the County may terminate its obligations under this Disclosure Agreement if and when the County no longer remains an obligated person with respect to the Bonds within the meaning of the Rule.

Section 6. Amendment

This Disclosure Agreement may be amended by the County in its discretion provided that (i) the amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the County as the obligated person with respect to the Bonds, or type of business conducted; (ii) the Disclosure Agreement, as amended, would have complied with the requirements of the Rule at the time of the issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (iii) the amendment does not materially impair the interests of holders of the Bonds, as determined by counsel selected by the County that is expert in federal securities law matters. The reasons for any amendment and the impact of the change in the type of operating data or financial information being provided will be explained in information provided with the annual financial information containing the amended operating data or financial information.

Section 7. Additional Information

Nothing in this Disclosure Agreement shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any disclosure made pursuant to Section 3(a) or (b) hereof or notice of occurrence of a Listed Event in addition to that which is required by this Disclosure Agreement. If the County chooses to include any information in any disclosure made pursuant to Section 3(a) or (b) hereof or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the County shall have no obligation under this Disclosure Agreement to update such information or include it in any future disclosure made pursuant to Section 3(a) or (b) hereof or notice of occurrence of a Listed Event.

Section 8. Law of Maryland

This Disclosure Agreement, and any claim made with respect to the performance by the County of its obligations hereunder, shall be governed by, subject to, and construed according to the laws of the State of Maryland or federal law.

Section 9. Limitation of Forum

Any suit or other proceeding seeking redress with regard to any claimed failure by the County to perform its obligations under this Disclosure Agreement must be filed in the Circuit Court for Howard County, Maryland.

Section 10. Limitation on Remedies

The County shall be given written notice at the address set forth below of any claimed failure by the County to perform its obligations under the Disclosure Agreement, and the County shall be given 45 days to remedy any such claimed failure. Any suit or other proceeding seeking further redress with regard to any such claimed failure by the County shall be limited to specific performance as the adequate and exclusive remedy available in connection with such action. Written notice to the County shall be given to the Director of Finance of the County, George Howard Building, 3430 Court House Drive, Ellicott City, Maryland 21043, or at such other alternate address as shall be specified by the County with disclosures made pursuant to Section 3(a) or (b) hereof or a notice of occurrence of a Listed Event.

Section 11. Relationship to Bonds

The Disclosure Agreement constitutes an undertaking by the County that is independent of the County's obligations with respect to the Bonds; any breach or default by the County under this Disclosure Agreement shall not constitute or give rise to a breach or default under the Bonds.

Section 12. Beneficiaries

This Disclosure Agreement shall inure solely to the benefit of the owners and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, this Continuing Disclosure Agreement is being executed by Howard County, Maryland as of this ____ day of _____, 2005.

HOWARD COUNTY, MARYLAND

[SEAL]

ATTEST:

By: _____
James N. Robey,
County Executive

Raquel Sanudo,
Chief Administrative Officer

Approved as to form and
legal sufficiency this ____
day of _____, 2005.

Barbara M. Cook,
County Solicitor

HOWARD COUNTY, MARYLAND
BOND ANTICIPATION NOTE FUNDING
As of November 12, 2004

| FUND | NAME | NOTE FUNDED |
|---------------------|----------------------|------------------------|
| 420U | COMMUNITY RENEWAL | \$ 20,000 |
| 440G | AGLAND PRESERVATION | - |
| 610E | SCHOOL CONSTRUCTION | 37,080,596 |
| 614M | COMMUNITY COLLEGE | 549,925 |
| 810C | GENERAL IMPROVEMENTS | 7,113,523 |
| 811F | FIRE SERVICE | - |
| 812L | LIBRARIES | - |
| 813N | RECREATION & PARKS | 245,442 |
| 814D | STORM DRAINAGE | 341,954 |
| 816B | BRIDGES | 646,133 |
| 816J | ROAD CONSTRUCTION | 1,539,000 |
| 816K | SIDEWALKS | 157,000 |
| 816T | INTERSECTIONS | 260,848 |
| | TOTAL 816 | <u>2,602,981</u> |
| 821P | POLICE | <u>1,978,000</u> |
| | SUBTOTAL | 49,932,421 |
| EXCISE BOND FUNDING | | |
| 816B | BRIDGES | 100,000 |
| 816J | ROAD CONSTRUCTION | 3,862,000 |
| 816T | INTERSECTIONS | 38,000 |
| | SUBTOTAL | <u>4,000,000</u> |
| | GRAND TOTAL | 53,932,421 |

**DEPARTMENT OF FINANCE
HOWARD COUNTY, MARYLAND
BOND ANTICIPATION NOTE
COMMUNITY RENEWAL
As of November 12, 2004**

Fund 420

| <u>PROJECT</u> | <u>DESCRIPTION</u> | <u>NOTE FUNDED</u> |
|----------------|--------------------|------------------------|
| 7095 | 94 HILLTOP HOUSING | \$ 20,000 |
| | | <u>\$ 20,000</u> |

**DEPARTMENT OF FINANCE
HOWARD COUNTY, MARYLAND
BOND ANTICIPATION NOTE
BONDED SCHOOL CONSTRUCTION
As of November 12, 2004**

Fund 610

| PROJECT | DESCRIPTION | NOTE FUNDED |
|----------------|--------------------------|------------------------|
| 0088 | 84 ROOFING PROJECTS | \$ 92,000 |
| 0092 | 85 PARTITIONS | 366 |
| 0943 | 96 HOWARD HIGH ADDITION | 1,774,000 |
| 0947 | 95 TECH EQUALIZATION | 397 |
| 0954 | 09 GLENELG HIGH SCHOOL | 684,000 |
| 0955 | 01 ATHOLTON HIGH ADDN | 1 |
| 0956 | 02 OAKLAND MILLS HS ADDN | 49,000 |
| 0957 | 02 WESTERN MIDDLE SCH | 3,000 |
| 0962 | 00 ILCHESTER ELEMENTARY | 803 |
| 0964 | 02 FULTON ELEM ADDN | 39,156 |
| 0967 | 01 CLARKSVILLE ELEM ADDN | 3,777 |
| 0968 | 04 GORMAN CROSSING ELEM | 105,000 |
| 0969 | 02 NORTHEAST ELEM SCH | 1,000 |
| 0970 | 02 PATAPSCO MIDDLE ADDN | 1,000 |
| 0971 | 03 LISBON ELEMENTARY | 48,000 |
| 0972 | 03 BUSHY PARK ELEM | 117,000 |
| 0973 | 03 WAVERLY ELEM ADDN | 10,000 |
| 0974 | 03 MANOR WOODS ELEM | 1,560,000 |
| 0975 | 02 NEW NORTHERN HS | 16,512,096 |
| 0976 | 03 ROCKBURN ELEM | 1,419,000 |
| 0977 | 04 WESTERN ELEM SCHOOL | 1,437,000 |
| 0978 | 03 CEDAR LANE SCHOOL | 3,708,000 |
| 0979 | 03 CLARKSVILLE MIDDLE | 2,051,000 |
| 0980 | 04 SYSTEMIC RENOVATIONS | 5,398,000 |
| 0992 | 04 NORTHEASTERN ELEM | 70,000 |
| 0993 | 04 RELOCATABLE CLASSRMS | 1,590,000 |
| 0994 | 04 ROOFING PROGRAM | 407,000 |
| | | <hr/> |
| | | \$ 37,080,596 |

**DEPARTMENT OF FINANCE
HOWARD COUNTY, MARYLAND
BOND ANTICIPATION NOTE
COMMUNITY COLLEGE CONSTRUCTION
As of November 12, 2004**

Fund 614

| <u>PROJECT</u> | <u>DESCRIPTION</u> | <u>NOTE FUNDED</u> |
|----------------|-------------------------|------------------------|
| 0522 | 95 SYSTEMIC RENOVATIONS | \$ 295,000 |
| 0525 | 01 INSTRUCTIONAL BLDG | 144,925 |
| 0526 | 96 CAMPUS PARKING | 16,000 |
| 0528 | 99 HVAC REPL/UPGRADE | 94,000 |
| | | <hr/> |
| | | \$ 549,925 |

**DEPARTMENT OF FINANCE
HOWARD COUNTY, MARYLAND
BOND ANTICIPATION NOTE
GENERAL IMPROVEMENTS
As of November 12, 2004**

Fund 810

| PROJECT | DESCRIPTION | NOTE FUNDED |
|----------------|----------------------------|------------------------|
| 0182 | 85 PUBLIC SAFETY ED CTR | \$ 813,000 |
| 0190 | 86 ALPHA WASTE IMPR | 630,000 |
| 0199 | 89 TOPO/PLANIMETRIC UPGRD | 149,000 |
| 0244 | 94 RESOURCE CONSERV CTR | 406 |
| 0250 | 98 COUNTY DRAWING IMAGE | 14,152 |
| 0254 | 97 ZONE SALT STORAGE FAC | 5,000 |
| 0262 | 97 800 MZ RADIO COMM | 841,000 |
| 0263 | 98 UPGRADE 911 EQUIPMENT | 1,989,000 |
| 0277 | 00 CARROLL/LIGON RENOV | 21,000 |
| 0278 | 01 FLORENCE BAIN CTR UPGRD | 795,000 |
| 0279 | 01 HIGHWAY SHOP SYS IMPR | 34,000 |
| 0281 | 01 HEADSTART CLASSRM ADD | 965 |
| 0290 | 03 COURTHOUSE ADDITION | 86,000 |
| 0291 | 03 GLENWOOD COMM CTR | 869,000 |
| 0293 | 04 FINANCIAL ACCTG SYSTEM | 251,000 |
| 0294 | 04 PERMIT PROC SYSTEM | 527,000 |
| 0295 | 04 TOPOGRAPHIC GIS MODEL | 88,000 |
| | | <hr/> |
| | | \$ 7,113,523 |

**DEPARTMENT OF FINANCE
HOWARD COUNTY, MARYLAND
BOND ANTICIPATION NOTE
FIRE SERVICE
As of November 12, 2004**

Fund 811

| <u>PROJECT</u> | <u>DESCRIPTION</u> | <u>NOTE FUNDED</u> |
|----------------|--------------------|------------------------|
| | | \$ |
| | | <u>0</u> |

**DEPARTMENT OF FINANCE
HOWARD COUNTY, MARYLAND
BOND ANTICIPATION NOTE
LIBRARIES
As of November 12, 2004**

Fund 812

| <u>PROJECT</u> | <u>DESCRIPTION</u> | <u>NOTE FUNDED</u> |
|----------------|--------------------|------------------------|
| | | \$ |
| | | <hr/> |
| | | \$ 0 |

**DEPARTMENT OF FINANCE
HOWARD COUNTY, MARYLAND
BOND ANTICIPATION NOTE
RECREATIONS & PARKS
As of November 12, 2004**

Fund 813

| <u>PROJECT</u> | <u>DESCRIPTION</u> | <u>NOTE FUNDED</u> |
|----------------|----------------------------|------------------------|
| 3910 | 81 HISTORIC PRESERV SITE | \$ 163,000 |
| 3948 | 98 PARK SYSTEMIC IMPROVMNT | <u>82,442</u> |
| | | \$ 245,442 |

**DEPARTMENT OF FINANCE
HOWARD COUNTY, MARYLAND
BOND ANTICIPATION NOTE
STORM DRAINAGE
As of November 12, 2004**

Fund 814

| <u>PROJECT</u> | <u>DESCRIPTION</u> | <u>NOTE FUNDED</u> |
|-----------------------|---------------------------|-------------------------------|
| 1108 | 99 VISTA ROAD STRM DRN | \$ 72,000 |
| 1109 | 99 SAVAGE GUILFORD RD | 67,000 |
| 1110 | 95 WATERSHED MGMT | 5,954 |
| 1114 | 96 EMERG STRM DRN RE | 55,000 |
| 1128 | 99 STREAM RESTORATN | 25,000 |
| 1141 | 02 STORMWATER MGMT | 10,000 |
| 1146 | 02 N. LAUREL EROSION | 107,000 |
| | | <hr/> |
| | | \$ 341,954 |

**DEPARTMENT OF FINANCE
HOWARD COUNTY, MARYLAND
BOND ANTICIPATION NOTE
HIGHWAYS
As of November 12, 2004**

Fund 816

| PROJECT | DESCRIPTION | NOTE FUNDED |
|----------------|-----------------------------|------------------------|
| 3822 | 97 HIPSLEY MILL RD BRIDGE | \$ 40,000 |
| 3825 | 93 HOMEWOOD RD BRIDGE | 313,133 |
| 3827 | 94 DORSEY MILL RD BRIDGE | 177,000 |
| 3830 | 91 LOUDON AVE CULVERT | 87,000 |
| 3842 | 92 SANNER ROAD BRIDGE | 29,000 |
| | SUBTOTAL | 646,133 |
| 4092 | 99 HILLTOP LN HARMEL DR | 35,000 |
| 4141 | 95 PFEIFFER CORNER IMPROV | 8,000 |
| 4152 | 99 REALIGN PINDELL/SANNER | 598,000 |
| 4154 | 98 STONE WALL REPLACEMNTS | 24,000 |
| 4176 | 04 NORTH LAUREL ROAD | 13,000 |
| 4178 | 01 CNTY/ST NOISE ABATEMENT | 810,000 |
| 4184 | 04 TRIDELPHIA MILL/HIGHLAND | 19,000 |
| 4203 | 04 COLLEGE AVE IMPROVMTS | 32,000 |
| | SUBTOTAL | 1,539,000 |
| 5023 | 91 HICKORY RIDGE | 73,000 |
| 5026 | 92 HIGH RIDGE PARK SIDEWLK | 77,000 |
| 5036 | ROUTINE SIDEWALK/WALKWAY | 7,000 |
| | | 157,000 |
| 7068 | 94 TRAFFIC CORRIDOR LIGHT | 76,848 |
| 7078 | 01 SIGNALIZATION | 129,000 |
| 7081 | 98 STATE/COUNTY SHARED | 55,000 |
| | SUBTOTAL | 260,848 |

EXCISE BOND PROJECTS

| | | |
|------|--------------------------|-----------|
| 3830 | 91 LOUDON AVE CULVERT | 100,000 |
| 4110 | 91 DORSEY RD-SOUTH LINK | 141,000 |
| 4127 | 92 STATE ROAD CONSTR | 829,000 |
| 4146 | 95 SNOWDEN RIVER/MD 175 | 2,057,021 |
| 4170 | 04 ROGERS AVE IMPR | 7,000 |
| 4171 | 98 STATE/COUNTY RD INTER | 20,000 |
| 4177 | 01 STATE ROAD CONSTRUCTN | 802,979 |
| 4196 | 04 CARRS MILL ROAD IMPR | 5,000 |
| 7076 | 01 INTERSECTION IMPR PGM | 38,000 |

| | |
|----------|------------------|
| SUBTOTAL | <u>4,000,000</u> |
|----------|------------------|

| | | |
|-------------|----|-----------|
| GRAND TOTAL | \$ | 6,602,981 |
|-------------|----|-----------|

**DEPARTMENT OF FINANCE
HOWARD COUNTY, MARYLAND
BOND ANTICIPATION NOTE
POLICE
As of November 12, 2004**

Fund 821

| <u>PROJECT</u> | <u>DESCRIPTION</u> | <u>NOTE FUNDED</u> |
|----------------|-------------------------|------------------------|
| 4916 | 00 CENTRAL BOOKING | \$ 1,276,000 |
| 4918 | 01 ANIMAL CONTROL REN | 620,000 |
| 4921 | 04 WARFIELD BLDG PISTOL | 82,000 |
| | | <u>1,978,000</u> |
| | | \$ 1,978,000 |

Projects

| Project | Council Bill | Additional Unsold Bonds | Other Sources of Fund | Estimated Cost of Project |
|--|---------------------|--------------------------------|--|----------------------------------|
| B3830 FY1991 LOUDON AVENUE CULVERT | 32 | \$100,000 | \$345,000 (B) 200,000 (E) | \$645,000 |
| B3834 FY1995 BONNIE BRANCH ROAD BRIDGE (H0-2) | 31 | 100,000 | 166,000 (B) 370,000 (G) | 636,000 |
| C0278 FY2001 FLORENCE BAIN SENIOR CENTER UPGRADE | 31 | 100,000 | 1,390,000 (B) 500,000 (G) | 1,990,000 |
| C0287 FY2002 COMMUNITY RENEWAL / ENHANCEMENTS | 31 | 50,000 | 145,000 (B) 100,000 (G) 5,000 (O) | 300,000 |
| D1103 FY1994 VALLEY ROAD STORM DRAINS | 31 | 150,000 | 633,000 (B) 5,000 (P) 168,000 (S) | 956,000 |
| E0991 FY2005 FULL-DAY KINDERGARTEN | 31 | 350,000 | 980,000 (A) 3,090,000 (Z) | 4,420,000 |
| J4136 FY1994 MARSHALEE DRIVE IMPROVEMENTS | 31 | 250,000 | 808,000 (B) 1,920,000 (D) 1,270,000 (E) 460,000 (X) | 4,708,000 |
| J4178 FY2001 COUNTY / STATE NOISE ABATEMENT | 31 | 350,000 | 2,685,000 (B) | 3,035,000 |
| K5040 FY2006 GUILFORD RD PEDESTRIAN/BIKE IMPROVE | 31 | 80,000 | ----- | 80,000 |
| K5043 SIDEWALK REPAIR PROGRAM | 31 | 100,000 | 200,000 (O) 974,000 (P) | 1,274,000 |
| P4918 FY2001 ANIMAL CONTROL RENOVATIONS | 31 | 50,000 | 1,795,000 (B) 200,000 (P) | 2,045,000 |
| T7074 FY2003 STREET LIGHTING PROGRAM | 31 | 50,000 | 70,000 (B) 50,000 (O) 200,000 (P) | 370,000 |

A = MARYLAND SCHOOL PSAC
B = BONDS
D = DEVELOPER CONTRIBUTIONS
E = EXCISE TAX
G = GRANTS
O = OTHER

P = PAY AS YOU GO
S = STORM DRAINAGE FUND
T = TRANSFER TAX
X = BONDS SUPPORTED BY EXCISE TAX
Z = BONDS SUPPORTED BY EDUCATION
EXCISE TAX

Appendix III

FUND 500

| <u>PROJECT</u> | <u>DESCRIPTION</u> | <u>UNSOLD BONDS</u> | <u>TOTAL OF GRANTS</u> | <u>PAYGO</u> | <u>WATER QUALITY</u> | <u>OTHER</u> | <u>SOLD BONDS</u> | <u>REVENUE</u> |
|-----------------------|-----------------------------------|--------------------------------|---------------------------------------|---------------------|---------------------------------|---------------------|------------------------------|-----------------------|
| 6200 | 98 ROCKBURN PUMP STATION | \$ 151,289 | \$ - | \$ 2,970,000 | \$ - | \$ - | \$1,148,711 | \$ 4,270,000 |
| 6205 | 98 L. PTX WTR RECLAMATION PLNT | 3,480,000 | 233,000 | - | 56,000,000 | - | - | 59,713,000 |
| 6214 | 98 SEWER CONTINGENCY | 100,000 | - | 500,000 | - | - | - | 600,000 |
| 6217 | 00 LANDING ROAD W&S EXT | 672,000 | - | - | - | - | 82,000 | 754,000 |
| 6231 | 02 MD108 AT DAVIDGE DRIVE | 225,000 | - | 45,000 | - | - | - | 270,000 |
| 6239 | 04 TROTTER ROAD W/S EXT | 470,000 | - | - | - | - | - | 470,000 |
| 6242 | 03 OLD FREDERICK RD SEWER EXT | 226,000 | - | - | - | - | 24,000 | 250,000 |
| 6243 | 03 JONES ROAD SEWER EXT | 256,000 | - | - | - | - | 24,000 | 280,000 |
| 6248 | 04 SUNSET FARM RD SEWER EXT | 175,000 | - | - | - | - | - | 175,000 |
| 6251 | 05 HOLIDAY HILLS/RIVERSIDE | 2,020,000 | - | - | - | - | - | 2,020,000 |
| 6252 | 05 LEVERING AVE SEWER | 100,000 | - | - | - | - | - | 100,000 |
| 6254 | 05 COLLEGE AVE SEWER STUDY | 30,000 | - | - | - | - | - | 30,000 |
| 6698 | 98 ROUTINE SEWER | 1,690,000 | - | - | - | - | 810,000 | 2,500,000 |
| 8195 | 94 ALBETH HGHTS WTR/SWR | 1,173,406 | - | 400,000 | - | - | 901,594 | 2,475,000 |
| 8212 | 96 SLEEVES, MAINS, RELOC. | 4,353,000 | - | 1,877,000 | - | - | 1,454,000 | 7,684,000 |
| 8215 | 00 HUNTING LANE W&S EXT | 614,000 | - | - | - | - | 86,000 | 700,000 |
| 8218 | 98 WATER CONTINGENCY | 100,000 | - | 465,000 | - | 85,000 | - | 650,000 |
| 8219 | 98 PARTICIPATION 3RD ZONE | 1,000,000 | - | 12,000,000 | - | - | - | 13,000,000 |
| 8220 | 98 SHARED WTR FACILITY IMP | 2,937,982 | - | 7,700,000 | - | - | 1,962,018 | 12,600,000 |
| 8238 | 01 US 1 MAIN - MEADOWRDGE | 650,000 | - | 5,850,000 | - | - | - | 6,500,000 |

| | | | | | | | | |
|------|----------------------------------|------------------|----------|-----------|----------|----------|----------|------------------|
| 8263 | 04 MARRIOTSVILLE ELEV TANK | 970,000 | - | 2,000,000 | - | - | - | 2,970,000 |
| 8266 | 05 DALTON DR WATER MAIN | 100,000 | - | - | - | - | - | 100,000 |
| 8269 | 05 PART.3RD ZONE WATER SUPPLY | 10,000,000 | - | - | - | - | - | 10,000,000 |
| 8698 | 98 ROUTINE WATER | 1,140,000 | - | - | - | - | 474,000 | 1,614,000 |
| 8893 | 03 DEVELOPER REBATE W&S | 2,022,375 | - | - | - | - | 977,625 | 3,000,000 |
| 8894 | 04 DEVELOPER REBATE W&S | <u>2,500,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,500,000</u> |

APPENDIX IV

Schedule of Annual Principal Payment Amounts and Payment Dates for Consolidated Public Improvement Bonds

| Payment Date | Principal Amount |
|-------------------|---------------------|
| February 15, 2006 | \$2,200,000 |
| February 15, 2007 | 2,400,000 |
| February 15, 2008 | 2,500,000 |
| February 15, 2009 | 2,500,000 |
| February 15, 2010 | 2,600,000 |
| February 15, 2011 | 2,700,000 |
| February 15, 2012 | 2,800,000 |
| February 15, 2013 | 2,800,000 |
| February 15, 2014 | 2,800,000 |
| February 15, 2015 | 2,900,000 |
| February 15, 2016 | 2,900,000 |
| February 15, 2017 | 2,900,000 |
| February 15, 2018 | 3,000,000 |
| February 15, 2019 | 3,100,000 |
| February 15, 2020 | 3,300,000 |
| February 15, 2021 | 3,300,000 |
| February 15, 2022 | 3,500,000 |
| February 15, 2023 | 3,800,000 |
| February 15, 2024 | 3,900,000 |
| February 15, 2025 | 4,100,000 |

Excise Tax-Funded Projects Portion

| Payment Date | Principal Amount |
|-------------------|---------------------|
| February15, 2006 | \$220,000 |
| February15, 2007 | 225,000 |
| February 15, 2008 | 230,000 |
| February 15, 2009 | 235,000 |
| February 15, 2010 | 240,000 |
| February 15, 2011 | 245,000 |
| February 15, 2012 | 255,000 |
| February 15, 2013 | 260,000 |
| February 15, 2014 | 270,000 |
| February 15, 2015 | 280,000 |
| February 15, 2016 | 285,000 |
| February 15, 2017 | 295,000 |
| February 15, 2018 | 310,000 |
| February 15, 2019 | 320,000 |
| February 15, 2020 | 330,000 |

Schedule of Annual Principal Payment Amounts and
Payment Dates for Metropolitan District Bonds

| Payment Date | Principal Amount |
|--------------------|---------------------|
| February, 15, 2006 | \$85,000 |
| February, 15, 2007 | 85,000 |
| February, 15, 2008 | 90,000 |
| February, 15, 2009 | 90,000 |
| February, 15, 2010 | 90,000 |
| February, 15, 2011 | 95,000 |
| February, 15, 2012 | 95,000 |
| February, 15, 2013 | 100,000 |
| February, 15, 2014 | 105,000 |
| February, 15, 2015 | 105,000 |
| February, 15, 2016 | 110,000 |
| February, 15, 2017 | 115,000 |
| February, 15, 2018 | 120,000 |
| February, 15, 2019 | 125,000 |
| February, 15, 2020 | 130,000 |
| February, 15, 2021 | 130,000 |
| February, 15, 2022 | 140,000 |
| February, 15, 2023 | 145,000 |
| February, 15, 2024 | 150,000 |
| February, 15, 2025 | 155,000 |
| February, 15, 2026 | 160,000 |
| February, 15, 2027 | 170,000 |
| February, 15, 2028 | 175,000 |
| February, 15, 2029 | 185,000 |
| February, 15, 2030 | 190,000 |
| February, 15, 2031 | 200,000 |
| February, 15, 2032 | 210,000 |
| February, 15, 2033 | 220,000 |
| February, 15, 2034 | 230,000 |

EXCISE BOND PROJECTS

| | | |
|------|--------------------------|-----------------|
| 3830 | 91 LOUDON AVE CULVERT | 100,000 |
| 4110 | 91 DORSEY RD-SOUTH LINK | 141,000 |
| 4127 | 92 STATE ROAD CONSTR | 829,000 |
| 4146 | 95 SNOWDEN RIVER/MD 175 | 2,057,021 |
| 4170 | 04 ROGERS AVE IMPR | 7,000 |
| 4171 | 98 STATE/COUNTY RD INTER | 20,000 |
| 4177 | 01 STATE ROAD CONSTRUCTN | 802,979 |
| 4196 | 04 CARRS MILL ROAD IMPR | 5,000 |
| 7076 | 01 INTERSECTION IMPR PGM | 38,000 |
| | SUBTOTAL | <hr/> 4,000,000 |